



**D.PATHAK & CO.**  
CHARTERED ACCOUNTANTS

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**REVISED INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
Uttar Pradesh Power Corporation Limited,  
Shakti Bhawan,  
Lucknow.

**1. Revised Report on Standalone Financial Statements**

**(A) Qualified Opinion:**

Kindly refer our Audit Report dated 12.09.2022 on Standalone Financial Statements of Uttar Pradesh Power Corporation Limited which did not disclose additional disclosures required under amendment to the Companies (Audit and Auditors) Rules, 2014 dated 24.03.2021. Accordingly revised report is submitted after incorporating aforesaid disclosures.

We have audited the accompanying Standalone Financial Statements of Uttar Pradesh Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements") in which are incorporated accounts of Material Management Zone (Location code – 300, 330, 640 and 970 and its units) ("Zone") thereof which have been audited by other auditor.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the **Net Loss**, including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

**(B) Basis for Qualified Opinion:**

We draw attention to the matters described in 'Annexure I', the effect of which, individually or in aggregate, are material but not pervasive to the financial statement and matters where we are unable to obtain sufficient and appropriate audit evidence. Our opinion is qualified in respect of these matters.



We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**(C) Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole. Except for the matters described in the basis of qualified opinion including Annexure 1 to the audit report, we have determined that there are no other Key Audit Matters to communicate in our report.

**(D) Emphasis of Matter Paragraph:**

1. Tax deducted at source Rs.56.44 Crore (Note 12- Other current Assets) includes Rs. 7.09 Crore refunds pending with Income Tax Department relating to financial year 2007-08 to 2019-20 **which needs to be reconciled and adjusted at earliest.**
2. As per information provided to us Trade payable includes Rs.135.36 Crore debit balance pertaining to M/s Rosa Power Company Ltd towards debit notes raised by the Company against which, as explained to us, stay order have been issued by Appropriate Authorities, but **which have not been reversed like other cases** as mentioned in Para no. 29 of Notes to Accounts relating to M/s Lalitpur Power Generation Company.
3. As per Para No. 41 (xvi) (c) to the Notes to Accounts, the Trade Payable does not reflect any disputed amount while aging classification includes outstanding of Rs. 544.71 Crore **for more than three years which need review by the Management.**
4. As per Note no. 13 to the Notes to Accounts the average bulk sale tariff is computed on the basis of cost of energy purchased by the Company after prior period adjustments, divided by total quantum of energy supplied to Subsidiaries. While impact of prior period adjustment are either restated in the purchase of power for previous year or debited to retained earnings. **Consequential impacts of aforesaid adjustments on purchase/sales of the Company are not disclosed in the Notes to Accounts.**





5. Accounting Policy No. VIII of the Company regarding power purchases was not incorporated, where final approval of the tariff by the Regulatory Commission has not been granted.
6. As per Note no. 11 (Financial Assets-Other (Current), Company has made provision for doubtful receivables @10% on Rs.2083.94 Crore which includes 1154.14 Crore relating to wholly owned subsidiaries. **Incremental provision for doubtful debts relating to wholly owned subsidiaries made during the year needs review by the Management.**
7. **The Annual Accounts of F.Y 2018-19, 2019-20 & 2020-21 are yet to be adopted in Annual General Meeting (Refer Para 31 of Note - 29 "Notes on Accounts").**

**2. Information other than the Standalone Financial Statements and Auditor's Report thereon:**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. The above report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the above-identified reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

**3. Management's Responsibility for the Standalone Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements





that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are also responsible for overseeing the Company's financial reporting process.

#### **4. Auditor's Responsibility for the Audit of the Standalone Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to





the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **5. Other Matters:**

We did not audit the books of accounts / information of Zone included in the Standalone Financial Statements of the Company. The books of accounts / information of the Zone has been audited by the Zone auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of Zone, is based solely on the report of such auditor.

#### **6. Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure-II", a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by directions issued by the Comptroller & Auditor General of India under section 143(5) of the Act, we give in "Annexure - III (a) and III (b)", a statement on the matters specified in the directions and sub-directions.





3. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.
4. As required by section 143(3) of the Act, based on our audit, we report that:
- (a) Except for the matters described in the "Basis for Qualified Opinion" section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion and except for the matters described in "Basis for Qualified Opinion" section, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Zone of the Company not visited and not audited by us.
  - (c) The reports on the accounts of the Zone of the Company, audited under Section 143(8) of the Act by Zone auditor have been sent to us and have been properly dealt with by us in preparing this report.
  - (d) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the Zone not visited and not audited by us.
  - (e) Except for the matters described in the "Basis for Qualified Opinion" section, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under.
  - (f) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, Government of India; provisions of sub-section (2) of section 164 of the Act, regarding disqualification of the directors are not applicable to the Company.
  - (g) With respect to the adequacy of the internal financial controls system in place and the operating effectiveness of such controls, refer to our report in "**Annexure-IV**".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. Except for the effects of the matters described in the "Basis for Qualified Opinion" section, the Company has disclosed the impact of pending litigations on its financial position in its financial statement;





## Annexure I

As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. There are certain very old debit balances in Trade Payable Account amounting to Rs.1029.12 Crore which remains unadjusted and unreconciled during the year by the company. We have also observed that these debit balances are deducted from Trade Payables Account instead of clubbing it with Advances to Suppliers/Sundry Receivables. This has resulted in to understatement of Trade Payables and Advance to Suppliers/Sundry Receivables. Further, based on the explanation and information furnished by Management, **we are of the opinion that a provision for Rs.889.70 crore should be made in accounts since these outstanding balances are more than 10 years old.**
2. We have observed that Other Advances for Rs.173.06 Crore outstanding since many years, have not been reviewed and reconciled during the year. It includes Rs.126.97 Crore as a commitment advance for share in generation in Ultra Mega Power Project. As per information and explanation given to us, Company has decided to opt out of these projects due to closure of the projects and requested Nodal Agency (PFC) for status of return of money. **Hence, pending such reconciliation and review by the Management, impact on the Accounts is not determinable at this stage.**
3. (a) As per Para 16 of Note – 30 “Notes on Accounts” Contingent Liability includes power purchase of Rs.10083.93 Cr. against which sufficient and appropriate documentary audit evidence in respect of Contingent Liabilities and its current status was not provided to us. It has also been explained to us that Contingent Liability for power purchases also includes various disputed liabilities which have not been accurately quantified/disclosed in Notes on Accounts. In absence of systematic reporting, proper records/quantification of pending disputes, suits and claims against the Company, including its present status, **we are not in a position to comment on accuracy of Contingent/Disputed Liabilities as reflected in the “Notes on Account”.**  
  
(b) On test check, it was observed that in petition no. 1565/2020, UPREC has vide its order dated 16.06.2021 approved an amount of Rs.7244.65 Crore to be deposited in RPO Account/Fund against which Contingent Liability of Rs.737.11 Crore have been disclosed only. As per information/explanation given to us, the issue has not yet been settled by the appropriate authorities. **In view of above and in terms of directives issued by Uttar Pradesh Electricity Regulatory Commission corresponding liability has not been disclosed.**





- ii. As per information and explanation furnished to us, Company has not envisaged any foreseeable losses on any long term contracts except mentioned by us in the 'Basis of qualified opinion'.
- iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether, directly or indirectly lend or invest in other persons or entities, identified in any manner whatsoever by or on behalf of the company("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that company shall, whether, directly, lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the Funding Part("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on audit procedures performed that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that caused us to believe that the representation referred under clause iv(a) and (b) contain any material mis-statement.
- (i) The Company has not declared or paid any dividend during the year therefore compliance with section 123 of the Companies Act, 2013 was not applicable.

**For D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**

  
**(A K Dwivedi)**  
**Partner**

**M No.: 071584**

**UDIN: 23071584BGWZKV5890**

**Place: Lucknow**

**Date: 09/01/2023**





4. (a) Company has made a provision for impairment of investment in Subsidiaries, associate

and others [Note-5 except Para II (b) Bonds] on the basis of Net worth of Investee Subsidiaries as on 31<sup>st</sup> March, 2022 (Refer Para 28 of Note – 30 “Notes on Accounts”), **which is not in accordance with Ind AS 36 Impairment of Assets. Further Provision for impairment relating in Investment in Uttar Pradesh Power Transmission Corporation Ltd has been made based on Unaudited Financial Statements, which has not even been adopted by its Board of Directors.**

- (b) We have observed that Investment made by U P Power Corporation in Subsidiaries not reconciled with the Equity Share Capital reflected in the Annual Accounts of Subsidiaries to the extent of Rs.20.00 Lakhs. However same has been nullified through ICT in the consolidated financial statements.

5. Loans and Other Financial Assets (Note-6), Trade Receivables-Others (Note-8), Financial Assets-Others - Employees, Others (Note-11), Other Current Assets - Suppliers & Contractors and UP Power Sector Employee Trust (Note-12), Financial Liability-Trade Payables (Note-18), Other Financial Liabilities (Current) –except Current maturities of long-term borrowings and Interest accrued but not due on borrowings (Note-19) includes certain old balances under various heads of assets and liabilities **which are carrying over since last so many years and have not been reviewed/reconciled during the financial year.**

As informed to us, above heads include balances transferred from transfer schemes, reconciliation and confirmation for the same has not been done by Company which needs to be reviewed/reconciled and suitably adjusted in the books of accounts. Major Balances includes Other Unclassified Revenue Rs. 330.25 Crore. (Current Liabilities, AG Code No. 46 9(Dr), Unit No 991), Securities from Suppliers, Rs. 5.19 Crore (Sundry Receivables- Other Current Assets, Unit No. 396), UI Charges Pool A/c, Rs. 305.74 Crore outstanding for more than 3 years (Financial Assets – Other (Current), Note No-11, Unit no. 330) and Reactive Energy Charges Rs. 92.18 Crore outstanding for more than 3 years (Financial Assets – Other (Current), Note No-11. Unit No. 330) respectively. In absence of details, **we are not in a position to comment on its impact on losses, if any of the Company.**

6. Purchases as per Note No-22 for Rs. 55152.12 Crore, includes Sales to Indian Energy Exchange for Rs. 2075.19 Cr, **which has resulted into reduction/understatement of Purchases and consequent understatement of Sales of Energy** (Note No-20, Revenue for Operation).

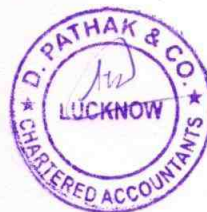
On test checks basis and as per information and explanation provided to us, it was observed that bills relating to procurement of Energy received from various generating companies amounting Rs 201.89 Crore which also includes bills pertaining to previous years have not been accounted for. **In absence of details and complete information given by management, we are not in a position to comment on its financial impact.**

7. **The Company has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended):**





- a. Financial Assets- Financial Assets-Other (current) (Note-11), Other Current Assets (Note-12), Financial Liabilities-Trade payable (Note-18) and Other Financial Liabilities (Note-19) have been classified as current assets/liabilities include balances which are outstanding for realisation/settlement since previous financial years and in the absence of **adequate information/explanations regarding the realisability/settlement of such amounts within twelve months after the year end, classification of same as current assets/liabilities is inconsistent with Ind AS 1 Presentation of Financial Statements.** This has resulted in over statement of respective current assets/liabilities and understatement of the corresponding non-current assets/liabilities.
- b. Recognition of Insurance and other claims, refunds of Income Tax, Interest on Income Tax & Trade Tax/GST, interest on loans to staff and other items of income covered by Significant Accounting Policy no. B (c) of Note-1 has been done on cash basis. **This is not in accordance with the provisions of Ind AS 1 Presentation of Financial Statements.**
- c. Additions during the year in Property, Plant and Equipment include Employee cost at a fixed percentage of the cost of each addition to Property, Plant and Equipment in accordance with Note-1 Significant Accounting Policy Para C (I) (e). Such employee cost to the extent not directly attributable to the acquisition and/or installation of Property, Plant and Equipment is **inconsistent with Ind AS 16 Property, Plant and Equipment.** This has resulted in overstatement of fixed assets and depreciation and understatement of employee cost.
- d. Inventory which includes stores and spares for capital works, operation and maintenance and others is valued at cost (Refer accounting policy no. 3(VI) (a) of (Note-1). Valuation of stores and spares for O & M and others is **not consistent with Ind AS 2 Inventories** i.e., valuation at lower of cost and net realizable value. Further, the stores and spares for capital work should be classified as part of Property, Plant and Equipment and recognised, measured and disclosed in accordance with **Ind AS 16 Property, Plant and Equipment.** Further, the company has not formulated any accounting policy in respect of provision for unserviceable stores & spares and slow-moving stores
- e. Accounting for Employee Benefits: Actuarial Valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (Refer Para 4 (a) Note – 29 “Notes on Accounts”). **This is inconsistent with Ind AS 19 Employee Benefits.**
- f. The Financial Assets (Note-5, 6, 8 and 11) have not been measured at fair value as required by **Ind AS 109 Financial Instruments** and proper disclosures as required in **Ind AS 107 Financial Instruments: Disclosures,** have not been done for the same.
- g. As per Note no.28 **Bad Debts & Provisions,** the reversal for provision on financial assets(other receivable) amounting Rs 46.16 lac has been set-off against the total Bad Debts/Provisions which is not in accordance with provisions of **Ind As 1 Presentation of Financial Statements.**





8. Inter unit transactions amounting Rs.15188.17 Lakhs, are **subject to reconciliation and consequential adjustments.** (Refer Para 7 Note – 30“Notes on Accounts”)
9. (a) Note no. 12 (Other Current Assets) includes Rs. 25.04 Lacs receivable against Fringe Benefit Tax, **which is being carried over since last so many years for which necessary provision needs to be made in the accounts.**
- (c) Para no. 41(xvi)(a) Capital work in progress includes Rs. 17.00 Lac **outstanding for more than 3 years for which no details are available needs to be provided for in the Accounts.**
- (d) **Company has not filed form MSME-1 and CSR-2 with Registrar of Companies.**
- (e) **Disclosure of nature of charges created with ROC against working capital borrowings has not been disclosed in the Note No. 17 of the Financial Statements.**
- (f) **Group has not made necessary disclosures as required by notification dated 23<sup>rd</sup> march 2022, issued by the Govt. of India, Ministry of Corporate affairs relating to Amendment in the companies (Indian Accounting Standards) Rules 2015.**

**10. Maintenance of Proper Books of Accounts:**

The company has systems of maintaining various sectional journals wherein vouchers relating to day-to-day transactions are recorded in these Sectional Journals. The existing systems of balancing cash book on the monthly basis and posting in different sectional journals to summaries and from summaries to monthly trial balances. In our opinion, System is not adequate enough to give financial position of different account at any given time in an organized manner. It was observed that the maintenance of party-wise subsidiary ledgers and its reconciliation with primary books of accounts i.e., cash book and sectional journals are not proper and effective.

11. Employee benefit expenses (Note- 23), Administrative, General & Other Expenses (Note- 26), and Repair & Maintenance Expenses (Note- 27) have been allocated among Subsidiaries and other power sector companies owned by the Go UP (i.e., UPPTCL, UPRVUNL & UPJVNL) on the basis of data / information (i.e., units of power sold to Subsidiaries DISCOMs, no. of employees, area occupied) related to the financial year 2020-21, instead of financial year 2021-22. (Para 28 of Note- 30 “Notes on Accounts”).
12. Trade Receivable (Current), Note No- 8, Rs. 27856.16 Crore, includes negative amount of Unbilled Revenue 21.48 Cr, which have not been allocated to respective subsidiaries..
13. Audit observations in **Material Management Zone Audit** report excluding those which have been appropriately dealt with elsewhere in the report.





**a. Purchase of power**

- There is no effective system in place to verify power purchase for completeness, only those bills are accounted in the books of accounts which are received, no system in place for quantitative reconciliation of the power actually purchased vis-à-vis power purchase accounted in the books of accounts, reconciliation of power purchased with suppliers are not done neither provided to us. Balance confirmation and reconciliation with the suppliers was not carried out therefore impact on power purchase and power sales and eventually on position of sundry payables and receivable is not quantifiable, this may consequently impact the profitability of the DISCOMs.
- Generation based Incentives (GBI) receivable from IREDA amounting to Rs 977.33 lakhs (Previous Year Rs. 1230.00 lakhs) is subject to confirmation and reconciliation/Consequential adjustment if any. (Unit#330 EIE&PC)
- The zone has received interest amounting to Rs.76,68,44,549/-and TDS of Rs.76,68,452/- have been deducted there from. But the amount of interest has been netted off from the purchase cost in the books. Purchase cost and interest income has, therefore understated to the extent of Rs 76,68,44,549. (Unit#330 EIE&PC)

**b. Other Liabilities and Provisions**

The balance confirmation of the Security deposit in Lieu of BG (46 102A) was not provided to us and we were informed that the balance confirmation is under Process.  
#Units330 – EIE&PC.

**c. Provision for Late Payment Surcharge.**

As reported by Branch Auditor, there is no proper system to compute the late payment surcharge payable to various power suppliers. We are, therefore unable to comment on the amount of overstated profit/understated loss of the zone for the financial year 2021-22 on account of provision of late payment surcharge.

- d.** The Electricity Import Export & Payment Circle Unit of the Zone has accrued interest to the tune of RS. 2246.45 lakhs during the Financial Year 2021-2022 (Previous Year- RS. 1954.55 lakhs) against advance provided to Noida Power Company Limited. However as explained to us the interest is being accrued for an amount of advance paid for supply of power, further no other details including the actual amount of advance paid and status of the transaction including its recoverability was provided to us. Recognizing it as an income when the recovery is uncertain is in contravention to Ind AS 115. In the absence of proper details and information, we are unable to quantify the amount of same and its consequential impact on financial statement. (Unit#330 EIE&PC)
- e.** The company has entered in to arrangement with MPPMCL for 18.15 MW share in the project of Rajghat HPP at an equity contribution of Rs.66.74 Crore which works out to 40.32% share in the total cost of capital of Rs.165.50 crore, however the unit is unaware of the existence of the equity contribution paid Rs 10.00 crores in July 1997, Rs.26.50 crore in October 1998 and Rs 29.00 Crores in October 1999 and Rs. 1.24 crores adjusted



against receivable from MPPMCL, therefore in absence of information and adequate explanation we cannot comment upon it.

**f. Late payment surcharge Receivables**

The Zone has unadjusted late payment surcharge / Penal Interest amounting to Rs 7045.94 lakhs (Previous Year Rs 7045.79 lakhs) till the 31st March, 2022, as explained the unit has not identified the late payment surcharge upon receipt of fund and the process is under reconciliation, hence we cannot comment upon it. (Unit#330 EIE&PC)

14. For want of complete information, the cumulative impact of our observations in Paras 1 to 13 above on assets, liabilities, income and expenditure is not ascertained.

**For D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**

  
**(A K Dwivedi)**  
**Partner**

**M No.: 071584**

**UDIN: 23071584BGWZKV5890**

**Place: Lucknow**

**Date: 09/01/2023**





## Annexure II

As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022.

1. a. (A) The company has not maintained proper records showing full particulars including Quantitative details and situation of Property, Plant and Equipment.  
  
(B) The company has not maintained proper records of Intangible Assets (Software) for Rs.5.38crore (gross).
- b. The company has not carried out physical verification of the Fixed Assets hence we are unable to Comment whether any material discrepancy was noticed as such or not.
- c. As reported by branch Auditors, title deed of Immovable Property (land) for Rs.47.24 lakhs was not available on record. Further as reported by branch Auditors, no details were provided to them with regard to the title deed of the immovable property leased to KESCO nor were it explained in which unit the said asset is capitalized.

Details of which are furnished below:

ZONE WISE LAND DETAILS			
Zone Code	Cost of Land as per Trial Balance (RS. in lakhs)	**Tittle Deed Available (RS. in lakhs)	Tittle Deed Not Available (RS. in lakhs)
970	4.96	0	4.96
640	465.48	423.19	42.28
<b>Total land</b>	<b>470.44</b>	<b>423.19</b>	<b>47.24</b>

\*\*including property held in the name of erstwhile UPSEB. Segregated amount was not provided to us.

- d. As per information provided to us, company has not revalued its Property, Plant and equipment during the year.
  - e. As per the information provided, no proceeding have been initiated or are pending against the company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) No physical verification report of Stores and Spares for Rs.15.00 Lakhs as on 31.03.2022 has been provided to us. Hence, we are unable to comment about the coverage, procedure and its discrepancies.
  - (b) The company has been sanctioned during the year working capital limits in excess of Rs.5 Crores from various banks. As per terms of Sanction, Company



has to submit book debts statements on quarterly basis outstanding up to 1 year only on which Drawing power is to be calculated by Bankers. However, company has submitted quarter wise details for Q1 Rs 87263.73 Crore (June 2021 ended), Q2 Rs 94382.14 Cr (September 2021 ended), Q3 Rs 94794.96 Crore (December 2021 ended), and Q4 Rs 81657.46 Cr (March 2022 ended) respectively. Trade Receivable (considered good) as per books of account as on 31<sup>st</sup> March 2022 is Rs 27987.99 Crore at the end of first Quarter (ended on June 2021), Rs 29956.97 Crore at the end of second Quarter ( ended on September 2021), Rs 27277.65 Crore at the end of third Quarter ( ended on December 2021) and Rs 27855.55 Crore at the end of fourth Quarter ( ended on March 2022 upto one year). Trade Receivable upto one year was not provided to us for remaining three quarters. Kindly refer Note No. 41(viii) of Notes to Accounts given by management which shows that there are substantial differences between the statement submitted to bank and amount of trade Receivable as per book of accounts which, as explained to us, due to inclusion of Non-Current Receivables which is not part of working capital and separately financed by long term borrowings.

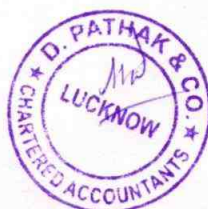
3. Company has made investment during the year 2021-22 and the amount given as well as outstanding as on 31.03.2022 are furnished below:

**a) i. Subsidiaries**

Name of Subsidiaries	Investment during the year(including Share application pending allotment)-in crore)	Amount outstanding as on date(before provision for impairment)-in crore)
KESCO	264.54	2249.31
Dakshinanchal VVNL	2231.37	22436.56
Madhyanchal VVNL	2275.41	21509.67
Paschimanchal VVNL	1649.37	17638.55
Purvanchal VVNL	3353.24	24105.09
Southern U.P. Power Transmission Co. Ltd.	Nil	2.21
<b>Total</b>	<b>9773.93</b>	<b>87941.39</b>

**ii. Other than subsidiaries**

Name of Company	Investment during the year(including Share application pending allotment) (in crore)	Amount outstanding as on date(before provision for impairment) (in crore)
UP Power Transmission Co. Ltd.	Nil	2394.05
7.75% PFC Bonds	Nil	123.00
<b>Total</b>	<b>Nil</b>	<b>2517.05</b>





- b) During the year company has debited loan to its subsidiaries against transfer of its bond/Loan liabilities details of which are furnished as under:

Name of Subsidiaries	Amount transferred to loan account during the year(in crore)	Balance outstanding as on31.03.2022(in crore)
Madhyanchal VVNL	1409.20	13390.86
Paschimanchal VVNL	Nil	6626.93
Dakshinanchal VVNL	898.80	16062.67
Purvanchal VVNL	1277.90	22519.29
KESCO	365.30	2352.55
<b>Total</b>	<b>3951.20</b>	<b>60952.33</b>

- c) No terms and conditions for repayment of loan debited to Subsidiaries have been specified nor have any agreements for above loans been executed between UP Power Corporation and respective subsidiaries. It is learnt that interest on Bonds Issued /Loan raised from UP Govt. has been accounted for in the books of subsidiaries. In view of above, Para no.3 (b), (c), (d), (e) and (f) are not applicable.
4. As per Section 186 of the Companies Act 2013, threshold limit for grant of Loan is not applicable in respect of Loan transferred to Subsidiaries as mentioned in previous para 3 (b). However, company has not obtained Board approval for Investment made/Loan transferred to its Subsidiaries during the year as envisaged under Section 186 of Companies Act 2013 nor Register for Investment/Loan granted as per requirement of Companies Act have been produced before us. But company has not granted any Loan, security and guarantee in favour of any Director or any other person in whom Directors are interested; hence compliance of Section 185 of Companies Act, 2013 is not applicable
5. Company has not accepted any deposit/deemed deposit during the year, hence compliance of section 73 and 76 of Companies Act, 2013 and relevant rules made there under are not applicable.
6. As per information and explanation given to us Company is covered under the provisions of Rule 3 of the Companies (Cost Records & Audit) Rules, 2014, but Company has not maintained proper Cost Accounting Records as envisaged in Companies (Cost Records & Audit) Rules, 2014.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, and, Cess and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable except for the following as reported by branch Auditors:



S.No	Head Of Account	Amount (in Rs)
1	Liability Towards Employer REC EPF	12878.00
2	I.T./ DEDUCT AT SOURCE	314275.00
3	Liability For Recoverable Against HRD	1796088.00
4	PROVISION FOR FRING BENEFIT TAX	2760732.00
5	PAYMENT OF SALES TAX	581.00
6	SERVICE TAX	36612.00
7	CGST	93481.00
8	SGST	93481.00
9	Gratuity	203,058,962.08
10	CPF trust	3086763.90
11	GPF	207,958,760.66
12	Pension	29,240,139.02

- (b) As per information and explanation given to us, there is no amount disputed as on 31.03.2022 against the statutory liabilities mentioned in Para no.7a above.
8. According to explanation and information given to us, Company has not surrendered or disclosed any transaction as income during the year in the tax assessment under Income Tax Act, 1961.
9. (a) Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) As per information and explanation given to us, Company is not declared as wilful defaulter by any bank or financial institution or other lender.
- (c) As per information and explanation given to us, bond and unsecured loans have been utilized for the purpose for which it is granted.
- (d) As per information and explanation given to us and on application of appropriate test checks, we observed that funds raised on short term basis have not been utilised for long term purposes.
- (e) Company has raised funds in form of bonds for Rs.3951.20 Crore during the year on behalf of its subsidiaries (DISCOMS) and debited the same to various DISCOMS as mentioned in our para no. 3b above.
- (f) As per information and explanation given to us, Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- 10.(a) As per information and explanation given to us, Company has not raised any fund through initial public offer or further public offer(including debt instruments) during the year.
- (b) As per information and explanation given to us, Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year.





- 11.(a) To the best of our knowledge and according to the information and explanations given to us by the Management, no fraud by the company or no material fraud on the company by its officers or employees have been noticed or reported for the year ended 31st March, 2022.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) The company has not established whistle blower mechanism which is mandatory in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI LODR regulation) in this regard as well as under section 177(9) of the Companies Act require the listed company to establish a vigil mechanism for their directors and employees to report their genuine concern or grievances.
12. (a) The Company is not a Nidhi Company hence clause 3 (xii) (a) of the order is not applicable.
- (b) The Company is not a Nidhi Company hence clause 3 (xii) (b) of the order is not applicable.
- (c) The Company is not a Nidhi Company hence clause 3 (xii) (c) of the order is not applicable.
13. In our opinion and according to information and explanation given to us, Company has not placed related party transactions entered into during the year for determination of its Arm's length status by Audit Committee as required under Section 177 of Companies Act, 2013. We have been informed that Company is going to place the position of Related Party Transaction during the F.Y. 2021-22 for information of Board of Directors along with adoption of Accounts.
- 14.(a) In our opinion company has an internal audit system, which needs more strengthening considering its coverage and compliance of observations of Audit report, so that it may be commensurate in size and nature of business of the Company.
- (b) Yes, we have considered reports of the Internal Auditors for the period under audit.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to under section 192 of the Companies Act, 2013.
16. (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore no Certificate of Registration (COR) from Reserve Bank of India as per Reserve bank of



India Act, 1934 is required. Accordingly, provision of clause 3(xvi) (b) of the Order is not applicable to the Company.

- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in regulation made by the Reserve Bank of India. Accordingly, provision of clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) There is no CIC as part of Group. Accordingly, provision of clause 3(xvi) (d) of the Order is not applicable to the Company.
17. Company has incurred cash losses in the financial year 2021-22 of Rs.3939.56 lakhs.
18. During the year previous Statutory Auditors have resigned sighting medical issues of the concerned partner who had conducted audit in the previous year and pre-occupation of other partner. Except above reason no other issues, objection or concerns raised by the outgoing Auditors was brought to our notice.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. No CSR activity has been undertaken by the company; and no expenditure has been incurred on same during the year 2021-22. Management has explained the reasons in Para-17 of Notes to Accounts.
21. Para 3 (xxi) of Companies (Auditor's Report) Order (CARO) is not applicable to standalone financial statements.

**For D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**

  
**(A K Dwivedi)**  
**Partner**

**M No.: 071584**

**UDIN: 23071584BGWZKV5890**

**Place: Lucknow**

**Date: 09/01/2023**





**Annexure III (a)**

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022.

Directions of Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013.

S. No.	Directions	Reply
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts for with the financial implications, if any, may be stated	No, the Company has no system in place to process the accounting transactions through IT system. The accounting is done manually and Cash book and Sectional Journals are maintained but ledgers/sub ledgers are not maintained. Presently compilation of accounts are being made under old D-Base (Foxpro) system, it is suggested that compilation of accounts should be made in upgraded software system to facilitate proper control of accounts as well as smooth compilation.
2.	Whether there is any restructuring of an existing loans or cases of waiver/write off of debts/loans/interest etc. made by lender to the Company due to the company's inability to repay the loan? If yes, the financial implant may stated.	As informed by the Management there are no other cases of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender to the Company due to the company's inability to repay the loan.
3.	Whether fund received/receivable for specific schemes from Central/State Agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Funds received from State Government for scheme according to budget provisions of related financial year has been released by the Company to Subsidiaries for their utilization and accounted for.

**D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**

  
**(A K Dwivedi)**  
**Partner**

**M No.: 071584**

**UDIN: 23071584BGWZKV5890**

**Place: Lucknow**

**Date: 01/01/2023**

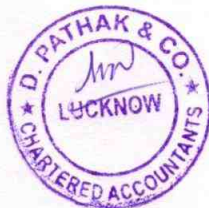


Annexure III (b)

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022.

Sub-Directions of Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013.

S. No.	Sub - Directions	Remarks
1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the company is encroached, under litigation, not put to use or declared surplus, details may be provided.	As informed by the management, there is no encroachment of idle land owned by Company, subject to para 1(c) of Annexure II of our report.
2.	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company?	Not Applicable
3.	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?	As explained to us the U.P. State's Generators U.P. Rajya Vidyut Utpadan Nigam Ltd. and U.P. Jal Vidyut Nigam Ltd. raise the bills on the U.P. Power Corporation Ltd. towards Fuel and Power Purchase Adjustment Cost (FPPCA) in accordance with the procedures laid down in the related order issued by the U.P. Electricity Regulatory Commission from time to time. The UPPCL accounts FPPCA and includes in its purchase cost. The UPPCL raises the bills on the subsidiary DISCOMs on the basis of Arm Length Principal and as such the purchase cost and the sale price is the same. The DISCOMs include the purchase cost (which is transferred to the DISCOMs through sale bills) in its Aggregated Revenue Requirement and submit the same before U.P. Electricity Regulatory Commission for approval of tariff for sale of power to electricity consumers. As such, the DISCOMs ultimately recover FPPCA from electricity consumers and account in its books of accounts.





4.	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	No proper reconciliation among of receivables and payables between the generation, distribution and transmission companies has been done. Refer point no. 8 of Annexure I, regarding non-reconciliation of Inter-unit transactions. Further no balance confirmation has been obtained from the DISCOMs, Transmission and Generation Companies.
5.	Whether the Company is supplying power to franchisees, if so, whether the Company is not supplying power to franchisees at below its average cost of purchase.	Not Applicable

**For D Pathak & Co.**  
**Chartered Accountants**  
**FRN: 001439C**

*(Signature)*  
**(A K Dwivedi)**

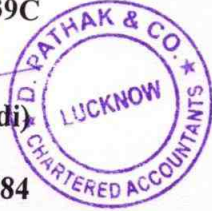
**Partner**

**M No.: 071584**

**UDIN: 23071584BGWZKV5890**

**Place: Lucknow**

**Date: 09/01/2023**



## Annexure IV

As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of U.P. Power Corporation Limited ("the Company") as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The management of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the presentation of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of un-authorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion:**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India except for the deficiencies reported by us in 'Annexure I' and 'Annexure II' to our audit report of even date on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022, and as mentioned below -

- a) Internal control system with regard to Cash transactions, Procurement /Works transactions, maintenance of inventory, maintenance of Books of accounts, Fixed Assets register, delegation of powers to various employees etc. requires to be further strengthened.
- b) There is no effective system in place to verify power purchase for completeness, only those bills are accounted in the books of accounts which are received, no system is in



place for quantitative reconciliation of the power actually purchased vis-à-vis power purchase accounted in the books of accounts, reconciliation of power purchased with suppliers are not done neither it was provided to us. Balance confirmation and reconciliation with the suppliers was not carried out therefore, the impact on power purchase, power sales and eventually on the position of sundry payables and receivable cannot be commented upon.

- c) There is no system for review of old balances relating to various assets and liabilities heads which needs to be reviewed, reconciled and require necessary adjustment in the books of account.
- d) Reconciliation of inter Unit section: the present system of identification and reconciliation of Inter Unit transaction between unit to unit, unit to head office is not adequate. The reconciliation need to be done on a regular basis with complete details of the nature and particulars of the unmatched items.
- e) There is no system of confirmation and reconciliation of balances in accounts of parties, contractors, Government Department etc. including those balances appearing under receivables, payables, loan and advances.
- f) During the course of our Audit, it was observed that payments are being released by Single signatory without fixing any threshold limit. It is suggested that all payments should be released after fixing threshold limit only by joint signatory.

**For D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**

  
**(A K Dwivedi)**  
**Partner**

**M No.: 071584**

**UDIN: 23071584BGWZKV5890**

**Place: Lucknow**

**Date: 09/01/2023**





## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
Uttar Pradesh Power Corporation Limited,  
Shakti Bhawan,  
Lucknow.

### 1. Report on Standalone Financial Statements

#### (A) **Qualified Opinion:**

We have audited the accompanying Standalone Financial Statements of Uttar Pradesh Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements") in which are incorporated accounts of Material Management Zone (Location code – 300, 330, 640 and 970 and its units) ("Zone") thereof which have been audited by other auditor.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the Net Loss, including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### (B) **Basis for Qualified Opinion:**

We draw attention to the matters described in 'Annexure I', the effect of which, individually or in aggregate, are material but not pervasive to the financial statement and matters where we are unable to obtain sufficient and appropriate audit evidence. Our opinion is qualified in respect of these matters.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities



under those Standards are further described in the Auditor's Responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**(C) Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole. Except for the matters described in the basis of qualified opinion including Annexure 1 to the audit report, we have determined that there are no other Key Audit Matters to communicate in our report.

**(D) Emphasis of Matter Paragraph:**

1. Tax deducted at source Rs.56.44 Crore (Note 12- Other current Assets) includes Rs. 7.09 Crore refunds pending with Income Tax Department relating to financial year 2007-08 to 2019-20 **which needs to be reconciled and adjusted at earliest.**
2. As per information provided to us Trade payable includes Rs.135.36 Crore debit balance pertaining to M/s Rosa Power Company Ltd towards debit notes raised by the Company against which, as explained to us, stay order have been issued by Appropriate Authorities, **but which have not been reversed like other cases** as mentioned in Para no. 29 of Notes to Accounts relating to M/s Lalitpur Power Generation Company.
3. As per Para No. 41 (xvi) (c) to the Notes to Accounts, the Trade Payable does not reflect any disputed amount while aging classification includes outstanding of Rs. 544.71 Crore for more than **three years which need review by the Management.**
4. As per Note no. 13 to the Notes to Accounts the average bulk sale tariff is computed on the basis of cost of energy purchased by the Company after prior period adjustments, divided by total quantum of energy supplied to Subsidiaries. While impact of prior period adjustment are either restated in the purchase of power for previous year or debited to retained earnings. **Consequential impacts of aforesaid adjustments on purchase/sales of the Company are not disclosed in the Notes to Accounts.**





5. Accounting Policy No. VIII of the Company regarding power purchases was not incorporated, where final approval of the tariff by the Regulatory Commission has not been granted.
6. As per Note no. 11 (Financial Assets-Other (Current), Company has made provision for doubtful receivables @10% on Rs.2083.94 Crore which includes 1154.14 Crore relating to wholly owned subsidiaries. **Incremental provision for doubtful debts relating to wholly owned subsidiaries made during the year needs review by the Management.**
7. The Annual Accounts of F.Y 2018-19, 2019-20 & 2020-21 are yet to be adopted in Annual General Meeting (Refer Para 31 of Note - 29 "Notes on Accounts").

## **2. Information other than the Standalone Financial Statements and Auditor's Report thereon:**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the

Standalone Financial Statements and our auditor's report thereon. The above report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above-identified reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

## **3. Management's Responsibility for the Standalone Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making



judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are also responsible for overseeing the Company's financial reporting process.

#### **4. Auditor's Responsibility for the Audit of the Standalone Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

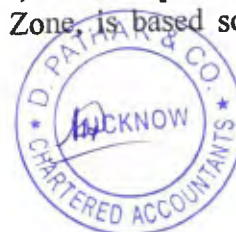
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

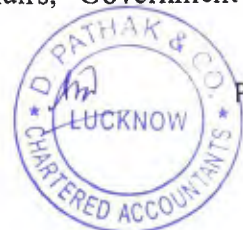
##### 5. Other Matters:

We did not audit the books of accounts / information of Zone included in the Standalone Financial Statements of the Company. The books of accounts / information of the Zone has been audited by the Zone auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of Zone, is based solely on the report of such auditor.



## **6. Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure-II", a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by directions issued by the Comptroller & Auditor General of India under section 143(5) of the Act, we give in "Annexure - III (a) and III (b)", a statement on the matters specified in the directions and sub-directions.
3. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.
4. As required by section 143(3) of the Act, based on our audit, we report that:
  - (a) Except for the matters described in the "Basis for Qualified Opinion" section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion and except for the matters described in "Basis for Qualified Opinion" section, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Zone of the Company not visited and not audited by us.
  - (c) The reports on the accounts of the Zone of the Company, audited under Section 143(8) of the Act by Zone auditor have been sent to us and have been properly dealt with by us in preparing this report.
  - (d) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the Zone not visited and not audited by us.
  - (e) Except for the matters described in the "Basis for Qualified Opinion" section, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under.
  - (f) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, Government of India;

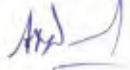




provisions of sub-section (2) of section 164 of the Act, regarding disqualification of the directors are not applicable to the Company.

- (g) With respect to the adequacy of the internal financial controls system in place and the operating effectiveness of such controls, refer to our report in “**Annexure-IV**”.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the effects of the matters described in the “Basis for Qualified Opinion” section, the Company has disclosed the impact of pending litigations on its financial position in its financial statement;
  - ii. As per information and explanation furnished to us, Company has not envisaged any foreseeable losses on any long term contracts except mentioned by us in the ‘Basis of qualified opinion’.
  - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**



**(A K Dwivedi)**  
**Partner**

**M No.: 071584**

**UDIN: 22071584ARUJYK2380**

**Place: Lucknow**

**Date: 12/09/2022**



## Annexure I

As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. There are certain very old debit balances in Trade Payable Account amounting to Rs.1029.12 Crore which remains unadjusted and unreconciled during the year by the company. We have also observed that these debit balances are deducted from Trade Payables Account instead of clubbing it with Advances to Suppliers/Sundry Receivables. This has resulted in to understatement of Trade Payables and Advance to Suppliers/Sundry Receivables. Further, based on the explanation and information furnished by Management, **we are of the opinion that a provision for Rs.889.70 crore should be made in accounts since these outstanding balances are more than 10 years old.**
2. We have observed that Other Advances for Rs.173.06 Crore outstanding since many years, have not been reviewed and reconciled during the year. It includes Rs.126.97 Crore as a commitment advance for share in generation in Ultra Mega Power Project. As per information and explanation given to us, Company has decided to opt out of these projects due to closure of the projects and requested Nodal Agency (PFC) for status of return of money. **Hence, pending such reconciliation and review by the Management, impact on the Accounts is not determinable at this stage.**
3. (a) As per Para 16 of Note – 30 “Notes on Accounts” Contingent Liability includes power purchase of Rs.10083.93 Cr. against which sufficient and appropriate documentary audit evidence in respect of Contingent Liabilities and its current status was not provided to us. It has also been explained to us that Contingent Liability for power purchases also includes various disputed liabilities which have not been accurately quantified/disclosed in Notes on Accounts. In absence of systematic reporting, proper records/quantification of pending disputes, suits and claims against the Company, including its present status, **we are not in a position to comment on accuracy of Contingent/Disputed Liabilities as reflected in the “Notes on Account”.**  
  
(b) On test check, it was observed that in petition no. 1565/2020, UPREC has vide its order dated 16.06.2021 approved an amount of Rs.7244.65 Crore to be deposited in RPO Account/Fund against which Contingent Liability of Rs.737.11 Crore have been disclosed only. As per information/explanation given to us, the issue has not yet been settled by the appropriate authorities. **In view of above and in terms of directives issued by Uttar**





**Pradesh Electricity Regulatory Commission corresponding liability has not been disclosed.**

4. (a) Company has made a provision for impairment of investment in Subsidiaries, associate and others [Note-5 except Para II (b) Bonds] on the basis of Net worth of Investee Subsidiaries as on 31<sup>st</sup> March, 2022 (Refer Para 28 of Note – 30 “Notes on Accounts”), **which is not in accordance with Ind AS 36 Impairment of Assets. Further Provision for impairment relating in Investment in Uttar Pradesh Power Transmission Corporation Ltd has been made based on Unaudited Financial Statements, which has not even been adopted by its Board of Directors.**

(b) We have observed that Investment made by U P Power Corporation in Subsidiaries not reconciled with the Equity Share Capital reflected in the Annual Accounts of Subsidiaries to the extent of Rs.20.00 Lakhs. However same has been nullified through ICT in the consolidated financial statements.

5. Loans and Other Financial Assets (Note-6), Trade Receivables-Others (Note-8), Financial Assets-Others - Employees, Others (Note-11), Other Current Assets - Suppliers & Contractors and UP Power Sector Employee Trust (Note-12), Financial Liability-Trade Payables (Note-18), Other Financial Liabilities (Current) –except Current maturities of long-term borrowings and Interest accrued but not due on borrowings (Note-19) includes certain old balances under various heads of assets and liabilities **which are carrying over since last so many years and have not been reviewed/reconciled during the financial year.**

As informed to us, above heads include balances transferred from transfer schemes, reconciliation and confirmation for the same has not been done by Company which needs to be reviewed/reconciled and suitably adjusted in the books of accounts. Major Balances includes Other Unclassified Revenue Rs. 330.25 Crore. (Current Liabilities, AG Code No. 46 9(Dr), Unit No 991), Securities from Suppliers, Rs. 5.19 Crore (Sundry Receivables- Other Current Assets, Unit No. 396), UI Charges Pool A/c, Rs. 305.74 Crore outstanding for more than 3 years (Financial Assets – Other (Current), Note No-11, Unit no. 330) and Reactive Energy Charges Rs. 92.18 Crore outstanding for more than 3 years (Financial Assets – Other (Current), Note No-11. Unit No. 330) respectively. In absence of details, **we are not in a position to comment on its impact on losses, if any of the Company.**

6. Purchases as per Note No-22 for Rs. 55152.12 Crore, includes Sales to Indian Energy Exchange for Rs. 2075.19 Cr, **which has resulted into reduction/understatement of Purchases and consequent understatement of Sales of Energy** (Note No-20, Revenue for Operation).

On test checks basis and as per information and explanation provided to us, it was observed that bills relating to procurement of Energy received from various generating companies amounting Rs 201.89 Crore which also includes bills pertaining to previous years have not



been accounted for. **In absence of details and complete information given by management, we are not in a position to comment on its financial impact.**

**7. The Company has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended):**

- a. Financial Assets- Financial Assets-Other (current) (Note-11), Other Current Assets (Note-12), Financial Liabilities-Trade payable (Note-18) and Other Financial Liabilities (Note-19) have been classified as current assets/liabilities include balances which are outstanding for realisation/settlement since previous financial years and in the absence of **adequate information/explanations regarding the realisability/settlement of such amounts within twelve months after the year end, classification of same as current assets/liabilities is inconsistent with Ind AS 1 Presentation of Financial Statements.** This has resulted in over statement of respective current assets/liabilities and understatement of the corresponding non-current assets/liabilities.
- b. Recognition of Insurance and other claims, refunds of Income Tax, Interest on Income Tax & Trade Tax/GST, interest on loans to staff and other items of income covered by Significant Accounting Policy no. B (c) of Note-1 has been done on cash basis. **This is not in accordance with the provisions of Ind AS 1 Presentation of Financial Statements.**
- c. Additions during the year in Property, Plant and Equipment include Employee cost at a fixed percentage of the cost of each addition to Property, Plant and Equipment in accordance with Note-1 Significant Accounting Policy Para C (I) (e). Such employee cost to the extent not directly attributable to the acquisition and/or installation of Property, Plant and Equipment is **inconsistent with Ind AS 16 Property, Plant and Equipment.** This has resulted in overstatement of fixed assets and depreciation and understatement of employee cost.
- d. Inventory which includes stores and spares for capital works, operation and maintenance and others is valued at cost (Refer accounting policy no. 3(VI) (a) of (Note-1). Valuation of stores and spares for O & M and others is **not consistent with Ind AS 2 Inventories** i.e., valuation at lower of cost and net realizable value. Further, the stores and spares for capital work should be classified as part of Property, Plant and Equipment and recognised, measured and disclosed in accordance with **Ind AS 16 Property, Plant and Equipment.** Further, the company has not formulated any accounting policy in respect of provision for unserviceable stores & spares and slow-moving stores
- e. Accounting for Employee Benefits: Actuarial Valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (Refer Para 4 (a) Note – 29 “Notes on Accounts”). **This is inconsistent with Ind AS 19 Employee Benefits.**





- f. The Financial Assets (Note-5, 6, 8 and 11) have not been measured at fair value as required by **Ind AS 109 Financial Instruments** and proper disclosures as required in **Ind AS 107 Financial Instruments: Disclosures**, have not been done for the same.
- g. As per Note no.28 **Bad Debts & Provisions**, the reversal for provision on financial assets(other receivable) amounting Rs 46.16 lac has been set-off against the total Bad Debts/Provisions which is not in accordance with provisions of **Ind As 1 Presentation of Financial Statements**.
8. Inter unit transactions amounting Rs.15188.17 Lakhs, are **subject to reconciliation and consequential adjustments**. (Refer Para 7 Note – 30“Notes on Accounts”)
9. (a) Note no. 12 (Other Current Assets) includes Rs. 25.04 Lacs receivable against Fringe Benefit Tax, **which is being carried over since last so many years for which necessary provision needs to be made in the accounts**.
- (b) Para no. 41(xvi)(a) Capital work in progress includes Rs. 17.00 Lac **outstanding for more than 3 years for which no details are available needs to be provided for in the Accounts**.
- (c) **Company has not filed form MSME-1 and CSR-2 with Registrar of Companies**
- (d) **Disclosure of nature of charges created with ROC against working capital borrowings has not been disclosed in the Note No. 17 of the Financial Statements**.
- (e) **Group has not made necessary disclosures as required by notification dated 23<sup>rd</sup> march 2022, issued by the Govt. of India, Ministry of Corporate affairs relating to Amendment in the companies (Indian Accounting Standards) Rules 2015**.
10. **Maintenance of Proper Books of Accounts:**
- The company has systems of maintaining various sectional journals wherein vouchers relating to day-to-day transactions are recorded in these Sectional Journals. The existing systems of balancing cash book on the monthly basis and posting in different sectional journals to summaries and from summaries to monthly trial balances. In our opinion, System is not adequate enough to give financial position of different account at any given time in an organized manner. It was observed that the maintenance of party-wise subsidiary ledgers and its reconciliation with primary books of accounts i.e., cash book and sectional journals are not proper and effective.
11. Employee benefit expenses (Note- 23), Administrative, General & Other Expenses (Note-26), and Repair & Maintenance Expenses (Note- 27) have been allocated among Subsidiaries and other power sector companies owned by the Go UP (i.e., UPPTCL, UPRVUNL & UPJVNL) on the basis of data / information (i.e., units of power sold to Subsidiaries DISCOMs, no. of employees, area occupied) related to the financial year 2020-21, instead of financial year 2021-22. (Para 28 of Note- 30 “Notes on Accounts”).



12. Trade Receivable (Current), Note No- 8, Rs. 27856.16 Crore, includes negative amount of Unbilled Revenue 21.48 Cr, which have not been allocated to respective subsidiaries..
13. Audit observations in **Material Management Zone Audit** report excluding those which have been appropriately dealt with elsewhere in the report.

**a. Purchase of power**

- There is no effective system in place to verify power purchase for completeness, only those bills are accounted in the books of accounts which are received, no system in place for quantitative reconciliation of the power actually purchased vis-à-vis power purchase accounted in the books of accounts, reconciliation of power purchased with suppliers are not done neither provided to us. Balance confirmation and reconciliation with the suppliers was not carried out therefore impact on power purchase and power sales and eventually on position of sundry payables and receivable is not quantifiable, this may consequently impact the profitability of the DISCOMs.
- Generation based Incentives (GBI) receivable from IREDA amounting to Rs 977.33 lakhs (Previous Year Rs. 1230.00 lakhs) is subject to confirmation and reconciliation/Consequential adjustment if any. (Unit#330 EIE&PC)
- The zone has received interest amounting to Rs.76,68,44,549/-and TDS of Rs.76,68,452/- have been deducted there from. But the amount of interest has been netted off from the purchase cost in the books. Purchase cost and interest income has, therefore understated to the extent of Rs 76,68,44,549. (Unit#330 EIE&PC)

**b. Other Liabilities and Provisions**

The balance confirmation of the Security deposit in Lieu of BG (46 102A) was not provided to us and we were informed that the balance confirmation is under Process. #Units330 – EIE&PC.

**c. Provision for Late Payment Surcharge.**

As reported by Branch Auditor, there is no proper system to compute the late payment surcharge payable to various power suppliers. We are, therefore unable to comment on the amount of overstated profit/understated loss of the zone for the financial year 2021-22 on account of provision of late payment surcharge.

- d. The Electricity Import Export & Payment Circle Unit of the Zone has accrued interest to the tune of RS. 2246.45 lakhs during the Financial Year 2021-2022 (Previous Year- RS. 1954.55 lakhs) against advance provided to Noida Power Company Limited. However as explained to us the interest is being accrued for an amount of advance paid for supply of power, further no other details including the actual amount of advance paid and status of the transaction





including its recoverability was provided to us. Recognizing it as an income when the recovery is uncertain is in contravention to Ind AS 115. In the absence of proper details and information, we are unable to quantify the amount of same and its consequential impact on financial statement. (Unit#330 EIE&PC)

- e. The company has entered in to arrangement with MPPMCL for 18.15 MW share in the project of Rajghat HPP at an equity contribution of Rs.66.74 Crore which works out to 40.32% share in the total cost of capital of Rs.165.50 crore, however the unit is unaware of the existence of the equity contribution paid Rs 10.00 crores in July 1997, Rs.26.50 crore in October 1998 and Rs 29.00 Crores in October 1999 and Rs. 1.24 crores adjusted against receivable from MPPMCL, therefore in absence of information and adequate explanation we cannot comment upon it.

**f. Late payment surcharge Receivables**

The Zone has unadjusted late payment surcharge / Penal Interest amounting to Rs 7045.94 lakhs (Previous Year Rs 7045.79 lakhs) till the 31st March, 2022, as explained the unit has not identified the late payment surcharge upon receipt of fund and the process is under reconciliation, hence we cannot comment upon it. (Unit#330 EIE&PC)

14. For want of complete information, the cumulative impact of our observations in Paras 1 to 13 above on assets, liabilities, income and expenditure is not ascertained.

**For D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**

  
**(A K Dwivedi)**  
**Partner**

**M No.: 071584**

**UDIN: 22071584ARUJYK2380**



**Place: Lucknow**

**Date: 12/09/2022**

## Annexure II

As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022.

1. a. (A) The company has not maintained proper records showing full particulars including Quantitative details and situation of Property, Plant and Equipment.  
  
(B) The company has not maintained proper records of Intangible Assets (Software) for Rs.5.38crore (gross).
- b. The company has not carried out physical verification of the Fixed Assets hence we are unable to Comment whether any material discrepancy was noticed as such or not.
- c. As reported by branch Auditors, title deed of Immovable Property (land) for Rs.47.24 lakhs was not available on record. Further as reported by branch Auditors, no details were provided to them with regard to the title deed of the immoveable property leased to KESCO nor were it explained in which unit the said asset is capitalized.

Details of which are furnished below:

ZONE WISE LAND DETAILS			
Zone Code	Cost of Land as per Trial Balance (RS. in lakhs)	**Tittle Deed Available (RS. in lakhs)	Tittle Deed Not Available (RS. in lakhs)
970	4.96	0	4.96
640	465.48	423.19	42.28
<b>Total land</b>	<b>470.44</b>	<b>423.19</b>	<b>47.24</b>

\*\*including property held in the name of erstwhile UPSEB. Segregated amount was not provided to us.

- d. As per information provided to us, company has not revalued its Property, Plant and equipment during the year.
  - e. As per the information provided, no proceeding have been initiated or are pending against the company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) No physical verification report of Stores and Spares for Rs.15.00 Lakhs as on 31.03.2022 has been provided to us. Hence, we are unable to comment about the coverage, procedure and its discrepancies.





- (b) The company has been sanctioned during the year working capital limits in excess of Rs.5 Crores from various banks. As per terms of Sanction, Company has to submit book debts statements on quarterly basis outstanding up to 1 year only on which Drawing power is to be calculated by Bankers. However, company has submitted quarter wise details for Q1 Rs 87263.73 Crore (June 2021 ended), Q2 Rs 94382.14 Cr (September 2021 ended), Q3 Rs 94794.96 Crore (December 2021 ended), and Q4 Rs 81657.46 Cr (March 2022 ended) respectively. Trade Receivable (considered good) as per books of account as on 31<sup>st</sup> March 2022 is Rs 27987.99 Crore at the end of first Quarter (ended on June 2021), Rs 29956.97 Crore at the end of second Quarter (ended on September 2021), Rs 27277.65 Crore at the end of third Quarter (ended on December 2021) and Rs 27855.55 Crore at the end of fourth Quarter (ended on March 2022 upto one year). Trade Receivable upto one year was not provided to us for remaining three quarters. Kindly refer Note No. 41(viii) of Notes to Accounts given by management which shows that there are substantial differences between the statement submitted to bank and amount of trade Receivable as per book of accounts which, as explained to us, due to inclusion of Non-Current Receivables which is not part of working capital and separately financed by long term borrowings.
3. Company has made investment during the year 2021-22 and the amount given as well as outstanding as on 31.03.2022 are furnished below:

a) i. Subsidiaries

Name of Subsidiaries	Investment during the year(including Share application pending allotment)-money (in crore)	Amount outstanding as on date(before provision for impairment)-(in crore)
KESCO	264.54	2249.31
Dakshinanchal VVNL	2231.37	22436.56
Madhyanchal VVNL	2275.41	21509.67
Paschimanchal VVNL	1649.37	17638.55
Purvanchal VVNL	3353.24	24105.09
Southern U.P. Power Transmission Co. Ltd.	Nil	2.21
<b>Total</b>	<b>9773.93</b>	<b>87941.39</b>



ii. Other than subsidiaries

Name of Company	Investment during the year(including Share application money pending allotment) (in crore)	Amount outstanding as on date(before provision for impairment) (in crore)
UP Power Transmission Co. Ltd.	Nil	2394.05
7.75% PFC Bonds	Nil	123.00
<b>Total</b>	Nil	2517.05

b) During the year company has debited loan to its subsidiaries against transfer of its bond/Loan liabilities details of which are furnished as under:

Name of Subsidiaries	Amount transferred to loan account during the year(in crore)	Balance outstanding as on31.03.2022(in crore)
Madhyanchal VVNL	1409.20	13390.86
Paschimanchal VVNL	Nil	6626.93
Dakshinanchal VVNL	898.80	16062.67
Purvanchal VVNL	1277.90	22519.29
KESCO	365.30	2352.55
<b>Total</b>	3951.20	60952.33

- c) No terms and conditions for repayment of loan debited to Subsidiaries have been specified nor have any agreements for above loans been executed between UP Power Corporation and respective subsidiaries. It is learnt that interest on Bonds Issued /Loan raised from UP Govt. has been accounted for in the books of subsidiaries. In view of above, Para no.3 (b), (c), (d), (e) and (f) are not applicable.
4. As per Section 186 of the Companies Act 2013, threshold limit for grant of Loan is not applicable in respect of Loan transferred to Subsidiaries as mentioned in previous para 3 (b). However, company has not obtained Board approval for Investment made/Loan transferred to its Subsidiaries during the year as envisaged under Section 186 of Companies Act 2013 nor Register for Investment/Loan granted as per requirement of Companies Act have been produced before us. But company has not granted any Loan, security and guarantee in favour of any Director or any other person in whom Directors are interested; hence compliance of Section 185 of Companies Act, 2013 is not applicable
5. Company has not accepted any deposit/deemed deposit during the year, hence compliance of section 73 and 76 of Companies Act, 2013 and relevant rules made there under are not applicable.





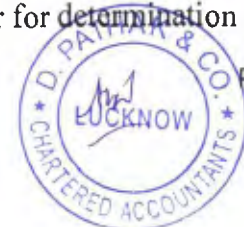
6. As per information and explanation given to us Company is covered under the provisions of Rule 3 of the Companies (Cost Records & Audit) Rules, 2014, but Company has not maintained proper Cost Accounting Records as envisaged in Companies (Cost Records & Audit) Rules, 2014.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, and, Cess and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable except for the following as reported by branch Auditors:

S.No	Head Of Account	Amount (in Rs)
1	Liability Towards Employer REC EPF	12878.00
2	I.T./ DEDUCT AT SOURCE	314275.00
3	Liability For Recoverable Against HRD	1796088.00
4	PROVISION FOR FRING BENEFIT TAX	2760732.00
5	PAYMENT OF SALES TAX	581.00
6	SERVICE TAX	36612.00
7	CGST	93481.00
8	SGST	93481.00
9	Gratuity	203,058,962.08
10	CPF trust	3086763.90
11	GPF	207,958,760.66
12	Pension	29,240,139.02

- (b) As per information and explanation given to us, there is no amount disputed as on 31.03.2022 against the statutory liabilities mentioned in Para no.7a above.
8. According to explanation and information given to us, Company has not surrendered or disclosed any transaction as income during the year in the tax assessment under Income Tax Act, 1961.
9. (a) Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) As per information and explanation given to us, Company is not declared as wilful defaulter by any bank or financial institution or other lender.
- (c) As per information and explanation given to us, bond and unsecured loans have been utilized for the purpose for which it is granted.



- (d) As per information and explanation given to us and on application of appropriate test checks, we observed that funds raised on short term basis have not been utilised for long term purposes.
- (e) Company has raised funds in form of bonds for Rs.3951.20 Crore during the year on behalf of its subsidiaries (DISCOMS) and debited the same to various DISCOMS as mentioned in our para no. 3b above.
- (f) As per information and explanation given to us, Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- 10.(a) As per information and explanation given to us, Company has not raised any fund through initial public offer or further public offer(including debt instruments) during the year.
- (b) As per information and explanation given to us, Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year.
- 11.(a) To the best of our knowledge and according to the information and explanations given to us by the Management, no fraud by the company or no material fraud on the company by its officers or employees have been noticed or reported for the year ended 31st March, 2022.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) The company has not established whistle blower mechanism which is mandatory in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI LODR regulation) in this regard as well as under section 177(9) of the Companies Act require the listed company to establish a vigil mechanism for their directors and employees to report their genuine concern or grievances.
12. (a) The Company is not a Nidhi Company hence clause 3 (xii) (a) of the order is not applicable.
- (b)The Company is not a Nidhi Company hence clause 3 (xii) (b) of the order is not applicable.
- (c) The Company is not a Nidhi Company hence clause 3 (xii) (c) of the order is not applicable.
13. In our opinion and according to information and explanation given to us, Company has not placed related party transactions entered into during the year for determination of its Arm's





length status by Audit Committee as required under Section 177 of Companies Act, 2013. We have been informed that Company is going to place the position of Related Party Transaction during the F.Y. 2021-22 for information of Board of Directors along with adoption of Accounts.

- 14.(a) In our opinion company has an internal audit system, which needs more strengthening considering its coverage and compliance of observations of Audit report, so that it may be commensurate in size and nature of business of the Company.
- (b) Yes, we have considered reports of the Internal Auditors for the period under audit.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to under section 192 of the Companies Act, 2013.
16. (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore no Certificate of Registration (COR) from Reserve Bank of India as per Reserve bank of India Act, 1934 is required. Accordingly, provision of clause 3(xvi) (b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in regulation made by the Reserve Bank of India. Accordingly, provision of clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) There is no CIC as part of Group. Accordingly, provision of clause 3(xvi) (d) of the Order is not applicable to the Company.
17. Company has incurred cash losses in the financial year 2021-22 of Rs.3939.56 lakhs.
18. During the year previous Statutory Auditors have resigned sighting medical issues of the concerned partner who had conducted audit in the previous year and pre-occupation of other partner. Except above reason no other issues, objection or concerns raised by the outgoing Auditors was brought to our notice.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not



capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. No CSR activity has been undertaken by the company; and no expenditure has been incurred on same during the year 2021-22. Management has explained the reasons in Para-17 of Notes to Accounts.
21. Para 3 (xxi) of Companies (Auditor's Report) Order (CARO) is not applicable to standalone financial statements.

**For D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**



**(A K Dwivedi)**  
**Partner**  
**M No.: 071584**  
**UDIN: 22071584ARUJYK2380**



**Place: Lucknow**  
**Date: 12/09/2022**



**Annexure III (a)**

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022.

Directions of Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013.

S. No.	Directions	Reply
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts for with the financial implications, if any, may be stated	No, the Company has no system in place to process the accounting transactions through IT system. The accounting is done manually and Cash book and Sectional Journals are maintained but ledgers/sub ledgers are not maintained. Presently compilation of accounts are being made under old D-Base (Foxpro) system, it is suggested that compilation of accounts should be made in upgraded software system to facilitate proper control of accounts as well as smooth compilation.
2.	Whether there is any restructuring of an existing loans or cases of waiver/write off of debts/loans/interest etc. made by lender to the Company due to the company's inability to repay the loan? If yes, the financial implant may stated.	As informed by the Management there are no other cases of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender to the Company due to the company's inability to repay the loan.
3.	Whether fund received/receivable for specific schemes from Central/State Agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Funds received from State Government for scheme according to budget provisions of related financial year has been released by the Company to Subsidiaries for their utilization and accounted for.

**D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**

*A.K. Dwivedi*

**(A K Dwivedi)**

**Partner**

**M No.: 071584**

**UDIN: 22071584ARUJYK2380**

**Place: Lucknow**

**Date: 12/09/2022**



### Annexure III (b)

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022.

Sub-Directions of Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013.

S. No.	Sub – Directions	Remarks
1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the company is encroached, under litigation, not put to use or declared surplus, details may be provided.	As informed by the management, there is no encroachment of idle land owned by Company, subject to para 1(c) of Annexure II of our report.
2.	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company?	Not Applicable
3.	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?	As explained to us the U.P. State's Generators U.P. Rajya Vidyut Utpadan Nigam Ltd. and U.P. Jal Vidyut Nigam Ltd. raise the bills on the U.P. Power Corporation Ltd. towards Fuel and Power Purchase Adjustment Cost (FPPCA) in accordance with the procedures laid down in the related order issued by the U.P. Electricity Regulatory Commission from time to time. The UPPCL accounts FPPCA and includes in its purchase cost. The UPPCL raises the bills on the subsidiary DISCOMs on the basis of Arm Length Principal and as such the purchase cost and the sale price is the same. The DISCOMs include the purchase cost (which is transferred to the DISCOMs through sale bills) in its Aggregated Revenue Requirement and submit the same before U.P. Electricity Regulatory Commission for approval of tariff for sale of power to electricity consumers. As such, the DISCOMs ultimately recover FPPCA from





		electricity consumers and account in its books of accounts.
4.	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	No proper reconciliation among of receivables and payables between the generation, distribution and transmission companies has been done. Refer point no. 8 of Annexure I, regarding non-reconciliation of Inter-unit transactions. Further no balance confirmation has been obtained from the DISCOMs, Transmission and Generation Companies.
5.	Whether the Company is supplying power to franchisees, if so, whether the Company is not supplying power to franchisees at below its average cost of purchase.	Not Applicable

**For D Pathak & Co.**  
**Chartered Accountants**  
**FRN: 001439C**

*A.K. Dwivedi*

**(A K Dwivedi)**  
**Partner**

**M No.: 071584**

**UDIN: 22071584ARUJYK2380**



**Place: Lucknow**

**Date: 12 /09/2022**

## Annexure IV

As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup>March, 2022.

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

We have audited the internal financial controls over financial reporting of U.P. Power Corporation Limited (“the Company”) as of 31<sup>st</sup>March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The management of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the





assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the presentation of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

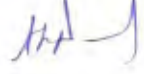
### **Opinion:**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India except for the deficiencies reported by us in 'Annexure I' and 'Annexure II' to our audit report of even date on the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022, and as mentioned below -



- a) Internal control system with regard to Cash transactions, Procurement /Works transactions, maintenance of inventory, maintenance of Books of accounts, Fixed Assets register, delegation of powers to various employees etc. requires to be further strengthened.
- b) There is no effective system in place to verify power purchase for completeness, only those bills are accounted in the books of accounts which are received, no system is in place for quantitative reconciliation of the power actually purchased vis-à-vis power purchase accounted in the books of accounts, reconciliation of power purchased with suppliers are not done neither it was provided to us. Balance confirmation and reconciliation with the suppliers was not carried out therefore, the impact on power purchase, power sales and eventually on the position of sundry payables and receivable cannot be commented upon.
- c) There is no system for review of old balances relating to various assets and liabilities heads which needs to be reviewed, reconciled and require necessary adjustment in the books of account.
- d) Reconciliation of inter Unit section: the present system of identification and reconciliation of Inter Unit transaction between unit to unit, unit to head office is not adequate. The reconciliation need to be done on a regular basis with complete details of the nature and particulars of the unmatched items.
- e) There is no system of confirmation and reconciliation of balances in accounts of parties, contractors, Government Department etc. including those balances appearing under receivables, payables, loan and advances.
- f) During the course of our Audit, it was observed that payments are being released by Single signatory without fixing any threshold limit. It is suggested that all payments should be released after fixing threshold limit only by joint signatory.

**For D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**

  
**(A K Dwivedi)**  
**Partner**  
**M No.: 071584**  
**UDIN: 22071584ARUJYK2380**



**Place: Lucknow**  
**Date: 12/09/2022**





# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

## BALANCE SHEET AS AT 31st MARCH 2022

( Amount in lakh ₹ )

PARTICULAR	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>I. ASSETS</b>			
1 Non-Current Assets			
a) Property, Plant and Equipment	2	6438.62	6312.40
b) Capital Work-In-Progress	3	29.86	264.32
c) Intangible Assets	4	279.81	223.97
d) Financial Assets			
(i) Investments	5	2784519.34	2616863.30
(ii) Loans & Other Financial Assets	6	6095258.38	6327053.65
2 Current Assets			
a) Inventories	7	1.65	1.68
b) Financial Assets			
(i) Trade receivables	8	2646278.08	3073414.47
(ii) Cash and Cash Equivalents	9	173872.89	240229.58
(iii) Bank balance other than (ii) above	10	249520.34	228847.96
(iv) Other	11	1259976.11	899840.59
c) Other Current Assets	12	61355.50	45565.89
<b>Total</b>		<b>13277530.58</b>	<b>13438617.81</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	13	10967938.38	10412645.52
b) Other Equity	14	(7860850.64)	(7251721.25)
<b>Liabilities</b>			
1 Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	6095233.38	6327053.65
ii) Other Financial Liabilities	16	379216.84	365789.85
2 Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	1072423.73	790638.45
ii) Trade Payables	18	2371785.81	2638240.60
iii) Other Financial Liabilities	19	251783.08	155970.99
<b>Total</b>		<b>13277530.58</b>	<b>13438617.81</b>

Company information & Significant accounting policies 1

Notes on Accounts 30

The accompanying notes form an integral part of the financial statements.

  
(Jitesh Grover)  
Company Secretary  
(Additional charge)

  
(A.K. Awasthi)  
Chief General Manager & CFO

  
(Nidhi Kumar Narang)  
Director ( Finance )

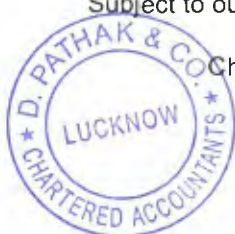
DIN - 03473420

  
( Pankaj Kumar )  
Managing Director

DIN - 08095154

Place : Lucknow

Date : 12-09-2022

Subject to our report of even date  
For D.Pathak & Co.  
Chartered Accountants  
FRN No. 001439C  
  
(A.K. Dwivedi)  
Partner  
M.No.071584

UDIN : 22071584ARUJYK2380



# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2022

(Amount in lakh ₹)

PARTICULAR	NOTE	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
I Revenue from Operations	20	5515212.83	6083874.31
II Other Income	21	13789.38	16113.99
III TOTAL INCOME (I+II)		<b>5529002.21</b>	<b>6099988.30</b>
IV EXPENSES			
Purchase of Stock in trade(Power Purchased)	22	5515212.83	6083874.31
Employee benefits expense	23	9347.77	5487.20
Finance cost	24	6.36	6.92
Depreciation and Amortization expense	25	551.19	511.63
Other Expenses			
a) Administrative, General & Other Expense	26	4709.70	5024.64
b) Repair & Maintenance	27	895.38	1311.52
c) Bad Debts & Provisions	28	814435.37	(1731125.45)
TOTAL EXPENSES (IV)		<b>6345158.60</b>	<b>4365090.77</b>
V Profit /(loss) before exceptional items and tax (III-IV)		(816156.39)	1734897.53
VI Exceptional Items	29	(14370.38)	
VII Profit/ (loss) before tax (V+VI)		(830526.77)	1734897.53
VIII Tax Expense :			
(1) Current Tax		0.00	0.00
(2) Deferred tax		0.00	0.00
IX Profit/ (Loss) for the period From continuing operations (VII+VIII)		(830526.77)	1734897.53
X Profit/ (loss) from discontinuing operations			
XI Tax Expense of discontinuing operations			
XII Profit/ (loss) from discontinuing operations (after tax) (X-XI)			
XIII Profit/ (Loss) for the year (IX+XII)		(830526.77)	1734897.53
Other Comprehensive Income			
XIV A- (i) Items that will not be reclassified to profit or loss			
Actuarial Gain or (Loss)		(523.28)	(3.98)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B- (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
XV Total comprehensive Income for the period(XIII+XIV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the period)		(831050.05)	1734893.55
XVI Earning per equity share ( for continuing operation ) :			
(1) Basic (₹)		(78.36)	176.01
(2) Diluted (₹)		(78.36)	174.93
XVII Earning per equity share ( for discontinuing operation ) :			
(1) Basic (₹)			
(2) Diluted (₹)			
XVIII Earning per equity share ( for continuing and discontinuing operation ) :			
(1) Basic (₹)		(78.36)	176.01
(2) Diluted (₹)		(78.36)	174.93

Company information & Significant accounting policies 1

Notes on Accounts 30

The accompanying notes form an integral part of the financial statements.

(Jitesh Grover)

Company Secretary

(Additional charge)

(A.K.Awasthi)

Chief General Manager & CFO

(Nidhi Kumar Narang)

Director ( Finance )

DIN - 03473420

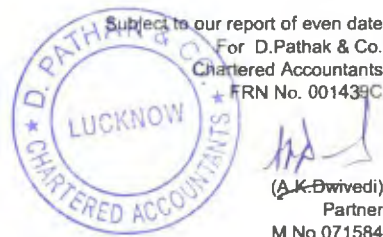
(Pankaj Kumar)

Managing Director

DIN - 08095154

Place Lucknow

Date 12-09-2022



UDIN

22071584ARUJYK 2380



# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

## STATEMENT OF CHANGES IN EQUITY

### Equity Share Capital


Particulars	( Amount in lakh ₹ )
Balance as on 1ST April 2020	9676208.64
Changes during the year	736436.88
Balance as on 1ST April 2021	10412645.52
Changes during the year	555292.86
Balance as on 31ST March 2022	10967938.38


( Amount in lakh ₹ )

### OTHER EQUITY


Particulars	As at 31st March, 2022				
	Share application money pending allotment	Capital Reserve	Restructuring Reserve	Retained Earning	Total
Balance at the beginning of the reporting period	31379.93	19595.12	54030.56	(7356726.86)	(7251721.25)
Changes in accounting policy or prior period items	0.00	0.00	0.00	0.00	0.00
Restated balance at the beginning of the reporting period	31379.93	19595.12	54030.56	(7356726.86)	(7251721.25)
Changes in Restructuring Reserve	0.00	0.00	0.00	0.00	0.00
Total comprehensive income for the year	0.00	0.00	0.00	(831050.05)	(831050.05)
Share application money received	777213.52	0.00	0.00	0.00	777213.52
Share allotted against application money	555292.86	0.00	0.00	0.00	555292.86
Balance at the end of the reporting period	253300.59	19595.12	54030.56	(8187776.91)	(7860850.64)

Particulars	As at 31st March, 2021				
	Share application money pending allotment	Capital Reserve	Restructuring Reserve	Retained Earning	Total
Balance at the beginning of the reporting period	40192.23	19595.12	54030.56	(9090617.33)	(8976799.42)
Changes in accounting policy or prior period items	0.00	0.00	0.00	(1003.08)	(1003.08)
Restated balance at the beginning of the reporting period	40192.23	19595.12	54030.56	(9091620.41)	(8977802.50)
Changes in Restructuring Reserve	0.00	0.00	0.00	0.00	0.00
Total comprehensive income for the year	0.00	0.00	0.00	1734893.55	1734893.55
Share application money received	727624.58	0.00	0.00	0.00	727624.58
Share allotted against application money	736436.88	0.00	0.00	0.00	736436.88
Balance at the end of the reporting period	31379.93	19595.12	54030.56	(7356726.86)	(7251721.25)

  
(Jitesh Grover)  
Company Secretary  
(Additional Charge)


  
(A.K. Awasthi)  
Chief General Manager & CFO

  
(Nidhi Kumar Narang)  
Director ( Finance )  
DIN - 03473420

  
(Pankaj Kumar)  
Chairman & Managing Director  
DIN - 08095154

Place : Lucknow  
Date : 12-09-2022

Subject to our report of even date  
For D.Pathak & Co.  
Chartered Accountants  
FRN No. 001419C

  
(A.K. Dwivedi)  
Partner  
M.No.071584

UDIN

22071504ARUJYK2300

# U.P. POWER CORPORATION LIMITED

CIN - U32201UP1999SGC024928

## NOTE NO. 1

### COMPANY INFORMATION & SIGNIFICANT ACCOUNTING POLICIES OF STANDALONE FINANCIAL STATEMENT

#### a) REPORTING ENTITY

U.P Power Corporation Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U32201UP1999SGC024928). The shares of the Company are held by the GoUP and its Nominees on behalf of Govt. of U.P. The address of the Company's registered office is Shakti Bhawan, Ashok Marg, Lucknow, Uttar Pradesh-226001. The Company is primarily involved in the purchase and sale/supply of power. The bonds of the company are publicly traded on BSE.

#### b) STATEMENT OF COMPLIANCE/BASIS OF PREPARATION AND PRESENTATION

- (a) The Financial Statements comply with the Indian Accounting Standard (IND AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable) and provisions of the Companies Act, 1956. Further where there is a deviation from the provisions of the Companies Act, 2013 in preparation of these accounts, the corresponding provisions of Electricity (Supply) Annual Accounts Rules 1985 have been adopted.
- (b) The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Policies (GAAP), on going concern basis and historical cost convention on accrual basis except as otherwise stated.
- (c) Insurance and Other Claims, Refund of Custom Duty, Interest on Statutory taxes and Interest on loans to staff is accounted for on receipt basis.

These financial statements were authorized for issue by Board of Directors on 12.09.2022.

#### (d) Functional and presentation currency

The financial statements are prepared in Indian Rupee (₹), which is the Company's functional currency. All financial information presented in Indian rupees has been rounded to the nearest rupees in lacs (up to two decimals), except as stated otherwise.

#### (e) Use of estimates and management judgments

The preparation of financial statements require management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of asset, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent Assets and Liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factor considered reasonable and prudent in the circumstances. Actual results may differ from this estimate.

Estimates and Underlying assumptions are reviewed as on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate are reviewed and if any future periods affected.

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(f) **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for the last twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve month after the reporting period.

All other liabilities are classified as non-current.

**C) SIGNIFICANT ACCOUNTING POLICIES**

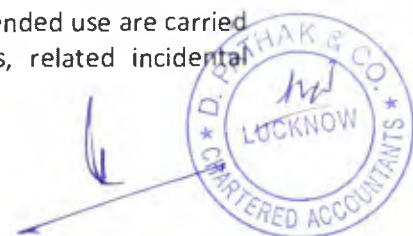
**I. PROPERTY, PLANT AND EQUIPMENT**

- a) Property, Plant and Equipment are shown at historical cost less accumulated depreciation.
- b) All costs relating to the acquisition and installation of Property, Plant and Equipment till the date of commissioning are capitalized.
- c) In the case of commissioned assets, where final settlement of bills with the contractor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.
- d) Due to multiplicity of functional units as well as multiplicity of functions at particular unit, Employees cost to capital works are capitalized @ 15% on deposit works and @ 9.5% on other works on the amount of total expenditure.
- e) Borrowing cost during construction stage of capital assets are capitalized as per provisions of Ind AS-23.

**II. CAPITAL WORK-IN-PROGRESS**

Property, Plant and Equipment those are not yet ready for their intended use are carried at cost under Capital Work-In-Progress, comprising direct costs, related incidental expenses and attributable interest.

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The value of construction stores is charged to capital work-in-progress as and when the material is issued. The material at the year end lying at the work site is treated as part of capital work in progress.

### III. INTANGIBLE ASSETS

- a) Intangible assets are measured on initial recognition at cost. Subsequently the intangible assets are carried at cost less accumulated amortization/accumulated impairment losses. The amortization has been charged over its useful life in accordance with Ind AS-38 (Intangible Assets).
- b) An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use.

### IV. DEPRECIATION

- a) In terms of Part-B of schedule-II of the companies act,2013 the company has followed depreciation rate/useful life using the straight line method and residual value of Property,plant and equipment as notified by the UPERC Tariff regulations.In case of change in rates/useful life and residual value,the effect of change is recognised prospectively.
- b) Depreciation on additions to / deductions from Property, Plant and Equipment during the year is charged on Pro rata basis.

### V. INVESTMENTS

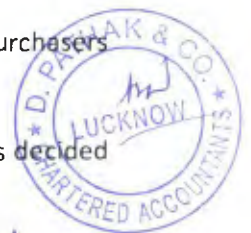
Financial Assets- investments (Non Current) are carried at cost. Provision is made for diminution/impairment, wherever required, other than temporary, in the value of such investments to bring it on its fair value in accordance with Ind AS 109(Financial Instruments).

### VI. STORES & SPARES

- a) Stores and Spares are valued at cost.
- b) As per practice consistently following by the Company, Scrap is accounted for as and when sold.
- c) Any shortage /excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.

### VII. REVENUE/ EXPENDITURE RECOGNITION

- a) Revenue from sale of energy is accounted for on accrual basis.
- b) Late payment surcharge recoverable from subsidiaries and other bulk power purchasers are accounted for on cash basis due to uncertainty of realisation.
- c) Sale of energy to subsidiary distribution companies is accounted for, on the rates decided by the Company.



## VIII. POWER PURCHASE

Power purchase is accounted for in the books of Corporation as below:

- a) In respect of Central Sector Generating Units and unscheduled interchange/reactive energy, at the rates approved by Central Electricity Regulatory Commission (CERC).
- b) In respect of State Sector Generating Units and unscheduled interchange/reactive energy, at the rates approved by U.P. Electricity Regulatory Commission (UPERC).
- c) In respect of Power Trading Companies, at the mutually agreed rates.

## IX. EMPLOYEE BENEFITS

- a) Liability for Pension, Gratuity and Leave Encashment has been accounted for on the basis of actuarial valuation and has been accounted for on accrual basis.
- b) Medical benefits and LTC are accounted for on the basis of claims received and approved during the year.
- c) Leave encashment has been accounted for on accrual basis

## X. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

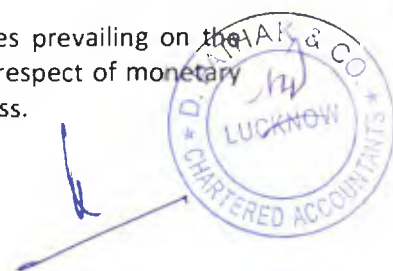
- a) Accounting of the Provisions is made on the basis of estimated expenditures to the extent possible as required to settle the present obligations.
- b) Contingent assets and liabilities are disclosed in the Notes on Accounts.
- c) The Contingent assets of unrealisable income are not recognized.

## XI. GOVERNMENT GRANT, SUBSIDIES AND CONSUMER CONTRIBUTIONS

- a) Government Grants (Including Subsidies) are recognised when there is reasonable assurance that it will be received and the company will comply the conditions attached, if any, to the grant. The amount of Grant, Subsidies and Loans are received from the State Government by the UPPCL centrally, being the Holding Company and distributed by the Holding Company to the DISCOMS.
- b) Consumer Contributions, Grants and Subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related asset is charged

## XII. FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of transaction. Gains and Losses, if any, as at the year end in respect of monetary assets and liabilities are recognized in the Statement of Profit and Loss.



**XIII. DEFERRED TAX LIABILITY**

Deferred tax liability of Income Tax (reflecting the tax effects of timing difference between accounting income and taxable income for the period) is provided on the profitability of the Company and no provision is made in case of current loss and past accumulated losses as per Para 34 of Ind AS 12 (Income Taxes).

**XIV. STATEMENT OF CASH FLOW**

Statement of Cash Flow is prepared in accordance with the indirect method prescribed in Ind AS – 7 (Statement of Cash Flow).

**XV. FINANCIAL ASSETS**

**Initial recognition and measurement:**

Financial assets of the Company comprises, Cash & Cash Equivalents, Bank Balances, Trade Receivable, Advance to Contractors, Advance to Employees, Security Deposits, Claim recoverables etc. The Financial assets are recognized when the company become a party to the contractual provisions of the instrument.

All the Financial Assets are recognized initially at fair value plus transaction cost that are attributable to the acquisition or issue of the financial assets as the company purchase/acquire the same on arm length price and the arm length price is the price on which the assets can be exchanged.

**Subsequent Measurement:**

**Debt Instrument:-** A debt instrument is measured at the amortized cost in accordance with Ind AS 109(Financial Instruments).

**Equity Instrument:-** All equity investments in entities are measured at fair value through P & L (FVTPL) as the same is not held for trading.

Impairment on Financial Assets- Expected credit loss or provisions are recognized for all financial assets subsequent to initial recognition. The impairment losses and reversals are recognised in Statement of Profit & Loss.

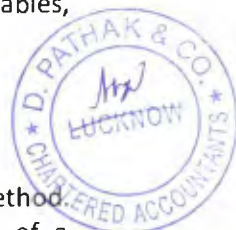
**XVI. FINANCIAL LIABILITIES**

**Initial recognition and measurement:**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. All the financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade payables, borrowings and other payables.

**Subsequent Measurement:**

Borrowings have been measured at fair value using effective interest rate (EIR) method. Effective interest rate method is a method of calculating the amortised cost of a



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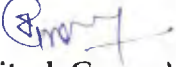





financial instrument and of allocating interest and other expenses over the relevant period. Since each borrowings has its own separate rate of interest and risk, therefore the rate of interest at which they have been acquired is treated as EIR. Trade and other payables are shown at contractual value/amortized cost.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### **XVII. MATERIAL PRIOR PERIOD ERRORS**


Material prior period errors are corrected retrospectively by restating the comparative amount for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balance of assets, liabilities and equity for the earliest period presented, are restated.

 (Jitesh Grover)	 (A. K. Awasthi)	 (Nidhi Kumar Narang)	 (Pankaj Kumar)
<b>Company Secretary</b> (Additional Charge)	<b>Chief Financial Officer</b>	<b>Director(Finance)</b> DIN - 03473420	<b>Managing Director</b> DIN - 08095154

Place: Lucknow  
Date: 12-09-2022

Subject to our report of even date  
For D Pathak & Co.  
Chartered Accountants  
FRN No. 001439C



  
(A.K. Dwivedi)  
Partner

M.No. 071584  
UDIN: 22071584ARUJYK2380

**U.P. POWER CORPORATION LIMITED**  
 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.  
 CIN - U32201UP1999SGC024928

**NOTE - 2**

**PROPERTY PLANT AND EQUIPMENT**

**2021-22**

Particulars	Gross Block			Depreciation			Net Block		
	As at 01.04.2021	Additions	Deductions / Adjustments*	As at 31.03.2022	As at 01.04.2021	Additions	Deductions / Adjustments*	As at 31.03.2022	As at 31.03.2022
Land & Land Rights	470.45	0.00	0.00	470.45	0.00	0.00	0.00	0.00	470.45
Buildings	4903.11	298.65	0.00	5201.76	1744.13	155.99	3.43	1896.69	3305.07
Other Civil Works	674.42	0.00	0.00	674.42	434.15	20.17	0.00	454.32	220.10
Plant & Machinery	1081.22	-3.97	0.00	1077.25	514.15	35.71	0.00	549.86	527.39
Lines, Cable Network etc.	5.51	0.00	0.00	5.51	0.36	0.26	0.00	0.62	4.89
Vehicles	214.85	9.92	1.14	223.63	133.82	19.38	4.48	148.72	74.91
Furniture & Fixtures	687.89	47.86	0.00	735.75	204.64	39.92	0.96	243.60	492.15
Office Equipments	2744.77	250.75	0.00	2995.52	1438.57	216.13	2.84	1651.86	1343.66
<b>TOTAL</b>	<b>10782.22</b>	<b>603.21</b>	<b>1.14</b>	<b>11384.29</b>	<b>4469.82</b>	<b>487.56</b>	<b>11.71</b>	<b>4945.67</b>	<b>6438.62</b>

**2020-21**

Particulars	Gross Block			Depreciation			Net Block		
	As at 01.04.2020	Additions	Deductions / Adjustments*	As at 31.03.2021	As at 01.04.2020	Additions	Deductions / Adjustments*	As at 31.03.2021	As at 31.03.2021
Land & Land Rights	470.45	0.00	0.00	470.45	0.00	0.00	0.00	0.00	470.45
Buildings	4871.67	31.44	0.00	4903.11	1594.04	150.09	0.00	1744.13	3158.98
Other Civil Works	674.42	0.00	0.00	674.42	413.95	20.20	0.00	434.15	240.27
Plant & Machinery	983.51	97.71	0.00	1081.22	470.94	43.21	0.00	514.15	567.07
Lines, Cable Network etc.	5.51	0.00	0.00	5.51	0.10	0.26	0.00	0.36	5.15
Vehicles	214.85	0.00	0.00	214.85	113.37	20.45	0.00	133.82	81.03
Furniture & Fixtures	647.13	40.76	0.00	687.89	167.36	37.28	0.00	204.64	483.25
Office Equipments	2354.71	390.06	0.00	2744.77	1265.05	173.52	0.00	1438.57	1306.20
<b>TOTAL</b>	<b>10222.25</b>	<b>559.97</b>	<b>0.00</b>	<b>10782.22</b>	<b>4024.81</b>	<b>445.01</b>	<b>0.00</b>	<b>4469.82</b>	<b>6312.40</b>



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**U.P. POWER CORPORATION LIMITED**  
14-A SHOK MARG, SHAKTI BHAWAN, LUCKNOW.  
CIN - U32201UP1999SGC024928

NOTE - 3

**CAPITAL WORKS IN PROGRESS**

PARTICULARS	(Amount in lakh ₹)			
	As at 01.04.2021	Additions	(Deduction)/ Adjustments	Capitalised
Capital Work in Progress *	250.05	498.84	0.00	733.30
Advances to Capital Suppliers / Contractors (net)	15.86			15.86
Less - Provision for Doubtful Advances	1.59	0	0	0
<b>GRAND TOTAL</b>	<b>264.32</b>	<b>498.84</b>	<b>0.00</b>	<b>733.30</b>

\* It includes Employee cost related to works

PARTICULARS	(Amount in lakh ₹)			
	As at 01.04.2020	Additions	Deduction/ Adjustments	Capitalised
Capital Work in Progress *	32.97	821.10	(44.05)	559.97
Advances to Capital Suppliers / Contractors (net)	15.86	0.00	0.00	0.00
Less - Provision for Doubtful Advances	1.59	14.27		15.86
<b>GRAND TOTAL</b>	<b>47.24</b>	<b>821.10</b>	<b>(44.05)</b>	<b>559.97</b>

\* It includes Employee cost related to works

NOTE - 4

**INTANGIBLE ASSETS**

2021-22

Particulars	Gross Block				Amortization				Net Block	
	As at 01.04.2021	Additions	Deductions / Adjustments	As at 31.03.2022	As at 01.04.2021	Additions	Deductions / Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2022
Software	408.46	130.09	0.00	538.55	184.49	74.25	0.00	258.74	279.81	279.81
<b>TOTAL</b>	<b>408.46</b>	<b>130.09</b>	<b>0.00</b>	<b>538.55</b>	<b>184.49</b>	<b>74.25</b>	<b>0.00</b>	<b>258.74</b>	<b>279.81</b>	<b>279.81</b>
Previous Year	364.42	44.04	0.00	408.46	115.32	69.17	0.00	184.49	223.97	223.97

2020-21

Particulars	Gross Block				Amortization				Net Block	
	As at 01.04.2020	Additions	Deductions / Adjustments	As at 31.03.2021	As at 01.04.2020	Additions	Deductions / Adjustments	As at 31.03.2021	As at 31.03.2021	As at 31.03.2021
Software	364.42	44.04	0.00	408.46	115.32	69.17	0.00	184.49	223.97	223.97
<b>TOTAL</b>	<b>364.42</b>	<b>44.04</b>	<b>0.00</b>	<b>408.46</b>	<b>115.32</b>	<b>69.17</b>	<b>0.00</b>	<b>184.49</b>	<b>223.97</b>	<b>223.97</b>
Previous Year	339.37	25.05	0.00	364.42	51.55	63.77	0.00	115.32	249.10	249.10



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# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 5

## FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)

( Amount in lakh ₹ )

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>LONG TERM INVESTMENT IN EQUITY INSTRUMENT AT COST (Unquoted)</b>				
<b>TRADE INVESTMENTS</b>				
<b>I Subsidiaries</b>				
<b>(a) KESCO</b>				
1984765000 Equity Shares of ₹10/- each Fully paid up.	198476.50		197421.23	
( 1974212300 ) Equity Shares of ₹10/- each Fully paid up. )				
From this 60000000 shares are allotted for consideration other than cash pursuant to KESA Zone EDU scheme 2000				
Share Application Money pending for allotment	26454.52		1055.27	
	224931.02		198476.50	
<b>Less - Provision for impairment in investment</b>	224931.01	0.01	198476.49	0.01
<b>(b) Dakshinanchal VVNL</b>				
214435224 Equity shares of ₹ 1000/- each fully paid up	2144352.24		1952199.57	
( 195219957 )Equity Shares of ₹1000/- each Fully paid up. )				
Share Application Money pending for allotment	99303.79		68319.40	
	2243656.03		2020518.97	
<b>Less - Provision for impairment in investment</b>	2243656.02	0.01	1975184.45	45334.52
<b>(c) Madhyanchal VVNL</b>				
203522399 Equity shares of ₹ 1000/- each fully paid up	2035223.99		1744041.21	
( 174404121 ) Equity Shares of ₹1000/- each Fully paid up. )				
Share Application Money pending for allotment	115743.24		179384.05	
	2150967.23		1923425.26	
<b>Less - Provision for impairment in investment</b>	1548932.28	602034.95	1338636.22	584789.04
<b>(d) Paschimanchal VVNL</b>				
161763867 Equity shares of ₹ 1000/- each fully paid up	1617638.67		1564746.88	
( 156474688 ) Equity Shares of ₹1000/- each Fully paid up. )				
Share Application Money pending for allotment	146217.18		34171.28	
	1763855.85		1598918.16	
<b>Less - Provision for impairment in investment</b>	1057146.32	706709.53	899299.69	699618.47
<b>(e) Purvanchal VVNL</b>				
212347945 Equity shares of ₹ 1000/- each fully paid up	2123479.45		1998143.27	
( 199814327 )Equity Shares of ₹1000/- each Fully paid up. )				
Share Application Money pending for allotment	287030.31		77041.97	
	2410509.76		2075185.24	
<b>Less - Provision for impairment in investment</b>	1168775.94	1241733.82	1027698.01	1047487.23
<b>(f) Southern U.P.Power Transmission Co. Ltd.</b>				
2216300 Equity Shares of ₹10/- each Fully paid up. )	221.63		221.63	
( 2216300 ) Equity Shares of ₹10/- each Fully paid up. )				
<b>Less - Provision for impairment in investment</b>	221.63	0.00	159.83	61.80
<b>II Others</b>				
<b>(a) UPPTCL</b>				
22133352 Equity shares of ₹ 1000/- each fully paid up	221333.52		221333.52	
( 22133352 ) Equity Shares of ₹1000/- each Fully paid up. )				
from this 18429700 shares are allotted for consideration other than cash.				
Share Application Money pending for allotment	18072.31		18072.31	
	239405.83		239405.83	
<b>Less - Provision for impairment in investment</b>	17664.81	221741.02	12133.60	227272.23
<b>(b) BONDS(quoted)</b>				
i) 7.75% PFC Bonds		12300.00		12300.00
<b>TOTAL</b>	<b>2784519.34</b>		<b>2616863.30</b>	

- Aggregate amount of unquoted investment in equity shares & Share Application Money in subsidiaries & UPPTCL as on 31.03.2022 is ₹ 9033547.35 lakhs ) ( Previous Period ₹ 8056151.58 lakhs )
- Aggregate amount of provision for impairment of investment made upto 31.03.2022 is ₹ 6261328.01 Lakh ( Previous Period ₹ 5451588.29 lakhs )
- Considering the net worth of subsidiaries and UPPTCL Provision for impairment has been made during the year are ₹ 809739.72 Lakh ( Previous Period ₹ -1711168.00 lakhs )
- Provision for impairment of investment for the F.Y. 2021-22 is based on net worth calculated on the basis of audited Financial Statement of Subsidiaries and Unaudited Financial Statement of UPPTCL for the period F.Y.2021-22.





# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 6

## FINANCIAL ASSETS - LOANS (NON - CURRENT)

( Amount in lakh ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021		
<b>A LOANS ( Unsecured/Considered Doubtful )</b>				
NPCL (Licencee)	568.43	568.43		
Interest Accrued & Due	16720.42	14473.97		
	<u>17288.85</u>	<u>15042.40</u>		
Less - Provision for Bad & Doubtful Debts Loan & interest	17288.85	15042.40	0.00	
<b>B Deposits -</b>				
Deposit with BSE for REF *		25.00	0.00	
<b>C Receivables on account of Loan/Bonds** (Unsecured and Considered good)</b>				
Madhyanchal VVNL	1339086.96	1332036.86		
Paschimanchal VVNL	662693.13	808595.69		
Dakshinanchal VVNL	1606267.53	1695998.51		
Purvanchal VVNL	2251929.94	2270217.03		
KESCO	235255.82	6095233.38	220205.56	6327053.65
<b>TOTAL</b>	<b>6095258.38</b>	<b>6327053.65</b>		

\* In compliance to SEBI Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 date 22 October, 2021, the company has deposited the fund with Bombay Stock Exchange towards contribution to Recovery Expense Fund.

\*\* Loan taken and Bond Issued on behalf of subsidiaries DISCOMs

NOTE - 7

## INVENTORIES

( Amount in ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021	
<b>A Stores and Spares</b>			
Stock of Materials - Capital Works	14.63	14.66	
Stock of materials - O & M	<u>0.00</u>	<u>0.00</u>	14.66
<b>B Others</b>			
		0.37	0.37
<b>SUB TOTAL</b>		15.00	15.03
Less - Provision for Unserviceable Stores		13.35	13.35
<b>TOTAL</b>		<b>1.65</b>	<b>1.68</b>

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# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 8

## FINANCIAL ASSETS - TRADE RECEIVABLES (CURRENT)

( Amount in lakh ₹ )

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>A Subsidiary</b>				
Kanpur Electricity Supply Compny	225951.40		253608.03	
Dakshinanchal Vidyut Vitran Nigam Ltd.	598765.35		680669.48	
Madhyanchal Vidyut Vitran Nigam Ltd.	862244.06		891737.70	
Pashchimanchal Vidyut Vitran Nigam Ltd.	338292.38		321143.69	
Purvanchal Vidyut Vitran Nigam Ltd.	762450.66		998452.63	
* Adjustments	(2147.98)		66326.99	
<b>Sub Total</b>	<b>2785555.87</b>		<b>3211938.52</b>	
Less - Provision for Bad & Doubtful Debts	139277.79	2646278.08	160596.93	3051341.59
<b>B Others</b>	<b>52297.94</b>		<b>52297.94</b>	
Less - Provision for Bad & Doubtful Debts	52297.94	0.00	30225.06	22072.88
<b>TOTAL</b>		<b>2646278.08</b>		<b>3073414.47</b>
* Refer note no. 30(13)(b)				
<b>Secured/Unsecured &amp; considered Good &amp; Doubtful Bebts</b>				
A Secured		-		-
B Unsecured & Considered Good		2646278.08		3073414.47
C Unsecured & Considered Doubtfull		191575.73		190821.99
<b>TOTAL</b>		<b>2837853.81</b>		<b>3264236.46</b>
<b>Trade Receivables</b>				
A Receivable Outstanding for a period Exceeding Six Months		846074.22		1127333.41
B Receivable Outstanding for a period Less than Six Months		1991779.59		2136903.05
<b>TOTAL</b>		<b>2837853.81</b>		<b>3264236.46</b>

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# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 9

## Financial Assets - CASH AND CASH EQUIVALENTS (CURRENT)

( Amount in lakh ₹ )

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>A Balances with Banks</b>				
In Current & Other account	138816.65		146336.58	
* RPO Fund Account	622.57		7657.07	
In Fixed Deposit accounts	34431.62	173870.84	86233.36	240227.01
<b>B Cash on Hand</b>				
Cash in Hand ( Including Stamps in hand )	1.28		1.29	
Cash Imprest with Staff	0.77	2.05	1.28	2.57
<b>TOTAL</b>		<b>173872.89</b>		<b>240229.58</b>

\* In compliance to UPERC's order, separate bank account has been created for renewable purchase obligations.

NOTE - 10

## Financial Assets - Bank Balances other than above (Current)

( Amount in lakh ₹ )

Particulars	As at 31.03.2022		As at 31.03.2021	
Deposits having maturity more than 3 months but not more than 12 months(including RPO fund amounting Rs.54.78Lakh)		249520.34		228847.96
<b>TOTAL</b>		<b>249520.34</b>		<b>228847.96</b>

Refer Note No. 22 to the Notes to Account for other earmarked bank accounts.





# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

**NOTE - 11**

## Financial Assets - OTHER ( CURRENT )

( Amount in lakh ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Receivables (Unsecured) -</b>		
UPRVUNL	866.02	754.31
UPJVUNL	379.01	336.67
UPPTCL	26272.72	23335.40
* Receivable from IREDA	977.33	1230.00
<b>Sub Total A</b>	<b>28495.08</b>	<b>25656.38</b>
<b>Subsidiaries (Unsecured) -</b>		
KESCO	5289.97	4097.08
Dakshinanchal VVNL	24072.21	18615.56
Madhyanchal VVNL	28464.28	22556.25
Paschimanchal VVNL	31462.29	25918.00
Purvanchal VVNL	26125.32	20261.08
<b>Sub Total B</b>	<b>115414.07</b>	<b>91447.97</b>
Employees	15.80	16.31
Others	64469.67	73857.86
<b>Sub Total C</b>	<b>64485.47</b>	<b>73874.17</b>
<b>Total (A+B+C)</b>	<b>208394.62</b>	<b>190978.52</b>
<b>Less - Provision for Doubtful Receivables</b>	<b>20839.46</b>	<b>19097.85</b>
	<b>187555.16</b>	<b>171880.67</b>
<b>Receivables on account of Loan (Unsecured)</b>		
Madhyanchal VVNL	225801.80	154028.78
Paschimanchal VVNL	163731.90	121948.33
Dakshinanchal VVNL	301265.00	213964.21
Purvanchal VVNL	354837.05	221781.10
KESCO	26785.20	16237.50
	<b>1072420.95</b>	<b>727959.92</b>
<b>Total</b>	<b>1259976.11</b>	<b>899840.59</b>

\* Receivable from Indian Renewable Energy Development Agency Ltd. (IREDA) (Govt. of India Enterprise) related to subsidy against power purchase from renewable energy developers.

**NOTE - 12**

## OTHER CURRENT ASSETS

( Amount in lakh ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021
Receivable from UP State Power Sector Employee GPF Trust(Provident Fund )*	17853.87	17853.87
Advances to Suppliers / Contractors	3.95	465.54
<b>Less - Provision for Doubtful Advances</b>	<b>0.40</b>	<b>46.56</b>
	<b>3.55</b>	<b>418.98</b>
** Advances to UMPP/Energy Exchange	17306.12	17306.12
Tax deducted at source	5644.12	1201.15
Tax Collected at source	4137.18	579.37
Fringe Benefit Tax - Advance Tax	66.07	66.07
<b>Less - Provision</b>	<b>41.03</b>	<b>41.03</b>
	<b>25.04</b>	<b>25.04</b>
Income Accured & Due	504.53	514.69
Income Accrued but not Due	677.49	569.51
Prepaid Expenses	15.43	15.83
Inter Unit Trasactions	15188.17	7081.33
<b>Total</b>	<b>61355.50</b>	<b>45565.89</b>

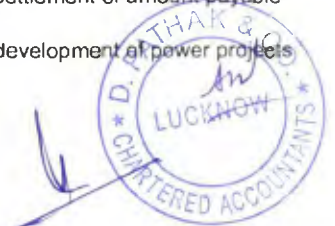
\* It includes Rs.160.58 Crore receivable from U.P. Power Sector employees Trust on account of settlement of amount payable by UPPSET to Uttarakhand Power Corporation Ltd. (Refer note no-38)

\*\* 1. Commitment advance of Rs. 12697.91 lakh was given to Ultra Mega Power Projects for the development of power projects  
2. Advances to Energy Exchange for bidding process. is Rs.4608.21 Lakh

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# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 13

## EQUITY SHARE CAPITAL

Amount in lakh ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021
-------------	------------------	------------------

### (A) AUTHORISED :

1250000000 Equity shares of par value of ₹1000/- each	12500000.00	12500000.00
( previous year 1250000000 Equity shares of par value ₹1000/- each)		

### (B) ISSUED SUBSCRIBED AND FULLY PAID UP

1096793838 Equity shares of par value ₹1000/- each	10967938.38	10412645.52
( previous year 1041264552 Equity shares of par value ₹1000/- each)		
(of the above shares 36113400 were allotted as fully paid up pursuant to UP Power Sector Reform Scheme for consideration other than cash)		

TOTAL	10967938.38	10412645.52
-------	-------------	-------------

- a) During the period, the Company has issued 55529286 Equity shares of ₹1000 each only and has not bought back any shares.
- b) The Company has only one class of equity shares having a par value ₹ 1000/- per share.
- c) During the period ended 31st March 2022, no dividend has been declared by board due to heavy accumulated losses.

### d) Detail of Shareholders holding more than 5% shares in the Company:

Shareholder's Name	As at 31.03.2022		As at 31.03.2021	
	No. of shares	%age holding	No. of shares	%age holding
Government of UP along with nominees	1096793838	100%	1041264552	100%

### e) Reconciliation of No. of Shares

No. of Shares as on 31.03.2021	Issued during the year	Buyback during the year	No. of Shares as on 31.03.2022
1041264552	55529286	-	1096793838

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# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 14

## OTHER EQUITY

### (A) Reserves and Surplus

( Amount in lakh ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021
<b>A Capital Reserves*</b>		
Others	19595.12	19595.12
<b>B Other Reserves</b>		
<b>Restructuring Reserve</b>		
As per last financial statement	54030.56	54030.56
Change during the year	0.00	0.00
<b>C Surplus</b>		
As per last financial statement	(7356726.86)	(9091620.41)
<b>ADD:-</b>		
a Profit/(Loss) for the year as per statement of Profit & Loss	(830526.77)	1734897.53
b Other Comprehensive Income	(523.28)	(3.98)
c Total Comprehensive Income for the year	(831050.05)	(8187776.91)
	1734893.55	1734893.55
<b>SUB TOTAL</b>	<b>(8114151.23)</b>	<b>(7283101.18)</b>

\* Capital Reserve and Restructuring Reserve relate to the balances transferred under Final Transfer Scheme issued by the GOUP vide notification no. 1529/24-P-2-2015 SA(218)- 2014 dated November 3,2015

### (B) Share Application Money

( Amount in lakh ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021
Share Application Money (Pending for allotment to the Govt. of	253300.59	31379.93
<b>SUB TOTAL</b>	<b>253300.59</b>	<b>31379.93</b>
<b>GRAND TOTAL</b>	<b>(7860850.64)</b>	<b>(7251721.25)</b>

### Reconciliation of Share Application Money

( Amount in lakh ₹ )

Share Application Money as on 31.03.2021	Received during the year	Allotted during the year	Share Application Money as on 31.03.2022
31379.93	777213.52	555292.86	253300.59

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# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

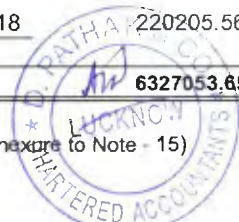
NOTE - 15

## FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)

( Amount in lakh ₹ )

PARTICULARS	As at 31.03.2022	As at 31.03.2021
<b>BONDS/LOANS on behalf of Subsidiaries/DISCOMS</b>		
(a) <b><u>Dakshinanchal VVNL</u></b>		
<b><u>SECURED</u></b>		
Non Convertible Bonds	468000.25	463618.40
<b><u>UNSECURED</u></b>		
Non Convertible Bonds	341032.31	381108.85
REC (Loan)	363695.26	390260.22
PFC (Loan)	422221.96	447806.99
<b><u>UP GOVERNMENT</u></b>		
OTHER	11317.76	13204.05
	1606267.54	1695998.51
(b) <b><u>Madhyanchal VVNL</u></b>		
<b><u>SECURED</u></b>		
Non Convertible Bonds	386994.16	301542.48
<b><u>UNSECURED</u></b>		
Non Convertible Bonds	163764.11	183002.40
REC (Loan)	366192.12	400566.74
PFC (Loan)	415061.71	438671.26
<b><u>UP GOVERNMENT</u></b>		
OTHER	7074.84	8253.98
	1339086.94	1332036.86
(c) <b><u>Paschimanchal VVNL</u></b>		
<b><u>SECURED</u></b>		
Non Convertible Bonds	122315.25	150776.93
<b><u>UNSECURED</u></b>		
Non Convertible Bonds	123079.38	137531.92
REC (Loan)	211331.71	274783.05
PFC (Loan)	199065.51	237452.29
<b><u>UP GOVERNMENT</u></b>		
OTHER	6901.29	8051.50
	662693.14	808595.69
(d) <b><u>Purvanchal VVNL</u></b>		
<b><u>SECURED</u></b>		
Non Convertible Bonds	493490.34	448252.18
<b><u>UNSECURED</u></b>		
Non Convertible Bonds	202903.13	226737.09
REC (Loan)	729756.56	757537.73
PFC (Loan)	816456.95	826813.24
<b><u>UP GOVERNMENT</u></b>		
OTHER	9322.96	10876.79
	2251929.94	2270217.03
(e) <b><u>Kesco</u></b>		
<b><u>SECURED</u></b>		
Non Convertible Bonds	70090.00	41950.00
<b><u>UNSECURED</u></b>		
Non Convertible Bonds	48210.22	53872.84
REC (Loan)	41152.01	41454.46
PFC (Loan)	73493.44	80233.08
<b><u>UP GOVERNMENT</u></b>		
OTHER	2310.15	2695.18
	235255.82	220205.56
<b>GRAND TOTAL</b>	<b>6095233.38</b>	<b>6327053.65</b>

Note - The terms of repayment, default details and security/guarantee details have been annexed with this note. (Refer Annexure to Note - 15)



Annexure to Note - 15

Name of Bank	Repayment Terms				Outstanding as on 31.03.2022			Default as on 31.03.2022			Aggregate Amount of Guaranteed Loans	Security		
	Drawl Date	Installment (Months)	Repayment Due From	ROI (%)	Guaranteed By	Principal	Interest	Total	Principal	Interest			Principal Default w.e.f.	Interest Default w.e.f.
Long Term Borrowing														
SECURED														
BONDS														
MVNL	17.02.17/27.03.17/			8.97%/48%/9.		442462.48		442462.48					442462.48	
PoorVVNL	27.03.17/			48%/9.		576042.18		576042.18					576042.18	
PasVVNL	05.12.17/	28/32/34	Jul-19	70%/9.7		150776.93		150776.93					150776.93	Hypothication on current Assets including Receivables of UPPCL and Govt Guarantee
DVVNL	27.03.18/30.03.22	Quarterly		5%/10.15%		553498.40		553498.40					553498.40	
KESCO						78480.00		78480.00					78480.00	
						<b>1801259.99</b>	<b>0.00</b>	<b>1801259.99</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1801259.99</b>	
						260370.00		260370.00						
						<b>1540889.99</b>	<b>0.00</b>	<b>1540889.99</b>						
UNSECURED														
BONDS														
MVNL	04.07.16/28.09.16/30.03.17	20/24 Half yearly	Sep-20	9.70%		183002.40		183002.40					183002.40	
PoorVVNL						226737.09		226737.09					226737.09	
PasVVNL						137531.92		137531.92					137531.92	Government Guarantee
DVVNL						381108.85		381108.85					381108.85	
KESCO						53872.84		53872.84					53872.84	
						<b>982253.10</b>	<b>0.00</b>	<b>982253.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>982253.10</b>	
						103263.95		103263.95						
						<b>878989.15</b>	<b>0.00</b>	<b>878989.15</b>						
REC (Loan)														
MVNL		18/36 MI, 84/108EMI & 28/32 QTY	Apr-20	9.50% to 11.00%		441621.64		441621.64					441621.64	
PoorVVNL	Since March-17					850326.77		850326.77					850326.77	
PasVVNL						282891.96		282891.96					282891.96	Government Guarantee
DVVNL						431562.17		431562.17					431562.17	
Kesco						46758.47		46758.47					46758.47	
						<b>2053161.01</b>	<b>0.00</b>	<b>2053161.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2053161.01</b>	
						341033.37		341033.37						
						<b>1712127.64</b>	<b>0.00</b>	<b>1712127.64</b>						
PFC (Loan)														
MVNL		60,72,84/108 EMI & 12/20/28 QTY	Oct-19	9.50% to 11.55%		480381.04		480381.04					480381.04	
PoorVVNL	Since June 17					920901.68		920901.68					920901.68	
PasVVNL						248299.98		248299.98					248299.98	Government Guarantee
DVVNL						489712.63		489712.63					489712.63	
Kesco						85540.90		85540.90					85540.90	
						<b>2224836.23</b>	<b>0.00</b>	<b>2224836.23</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2224836.23</b>	
						298536.67		298536.67						
						<b>1926299.56</b>	<b>0.00</b>	<b>1926299.56</b>						
Unsecured GoUP interest bearing Loan														
MVNL	11.10.18	20 HY	Apr-19	11.50%		8253.99		8253.99						
PoorVVNL						10876.80		10876.80						
PasVVNL						8051.51		8051.51						
DVVNL						13204.06		13204.06						
Kesco						2695.18		2695.18						
						<b>43081.54</b>	<b>0.00</b>	<b>43081.54</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>43081.54</b>	
						6154.50		6154.50						
						<b>36927.04</b>	<b>0.00</b>	<b>36927.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>36927.04</b>	
						<b>4554343.39</b>	<b>0.00</b>	<b>4554343.39</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4554343.39</b>	
						<b>6095233.38</b>	<b>0.00</b>	<b>6095233.38</b>					<b>6095233.38</b>	
Grand Total - Secured & Unsecured related to DISCOMS														
Note: All the borrowings which have been guaranteed is guaranteed by GoUP.														
*Loan from GoUP														



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# U.P. POWER CORPORATION LIMITED

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CIN - U32201UP1999SGC024928

**NOTE- 16**

## FINANCIAL LIABILITIES - OTHERS ( NON CURRENT)

( Amount in lakh ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021
Leave Encashment	8025.64	5957.94
Gratuity	1709.70	992.80
Corpus Fund from UPNEDA*	4404.68	4241.98
<b>Liabilities against Loan -</b>		
MADHYANCHAL	78709.06	77230.34
PASHIMANCHAL	99602.50	97097.08
DAKSHINACHAL	85891.65	82346.31
POORVANCHAL	100551.01	97600.80
KESCO	322.60	322.60
<b>TOTAL</b>	<b>379216.84</b>	<b>365789.85</b>

\* It relates to the Corpus Fund received from U.P. New & Renewable Energy Development Agency for providing the facility of letter of credit to solar energy developers.

**NOTE- 17**

## FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

( Amount in lakh ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021
Overdraft from Punjab National Bank	2.79	0.00
Current Maturity of Long Term Borrowings	1009358.48	727959.92
Interest Accrued but not Due on Borrowings	63062.46	62678.53
<b>TOTAL</b>	<b>1072423.73</b>	<b>790638.45</b>

Note:- Details of Current Maturity of Long Term Borrowings is annexed with this Note. (Refer Annexure to Note - 17)

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**Statement of Current Maturity of Long-Term Borrowings (Principal)**

( Amount in lakh ₹ )

As at 31.03.2022

I Loan taken and Bond Issued on behalf of subsidiaries DISCOMs						
Sl. No.	Name of the Discom	Bonds	REC	PFC	UP Gov. -Other	Total
1	MVVNL	74706.61	75429.53	65319.33	1179.14	216634.61
2	PoorVVNL	106385.81	120570.20	104444.73	1553.83	332954.57
3	PasVVNL	42914.22	71560.25	49234.47	1150.21	164859.15
4	DVVNL	125574.69	67866.92	67490.68	1886.29	262818.58
5	KESCO	14052.62	5606.46	12047.46	385.03	32091.57
<b>Total</b>		<b>363633.95</b>	<b>341033.36</b>	<b>298536.67</b>	<b>6154.50</b>	<b>1009358.48</b>
<b>Total Current Maturity of Long-Term Borrowings</b>						<b>1009358.48</b>

As at 31.03.2021

I Loan taken and Bond Issued on behalf of subsidiaries DISCOMs						
Sl. No.	Name of the Discom	Bonds	REC	PFC	UP Gov. -Other	Total
1.00	Madhyanchal VVNL	65326.56	40900.18	50756.17	1179.14	158162.05
2.00	Purvanchal VVNL	94783.91	54123.29	71284.01	1553.83	221745.04
3.00	Paschimanchal VVNL	35921.18	48394.13	44290.02	1150.21	129755.54
4.00	Dakshinanchal VVNL	105918.91	34119.99	52768.75	1886.29	194693.94
5.00	KESCO	11299.38	2293.32	9625.62	385.03	23603.35
<b>Total</b>		<b>313249.94</b>	<b>179830.91</b>	<b>228724.57</b>	<b>6154.50</b>	<b>727959.92</b>
<b>Total Current Maturity of Long-Term Borrowings</b>						<b>727959.92</b>









# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE-18

## FINANCIAL LIABILITIES -TRADE PAYABLE (CURRENT)

( Amount in lakh ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021
Liability for Purchase of Power	2371785.81	2638240.60
<b>TOTAL</b>	<b>2371785.81</b>	<b>2638240.60</b>

NOTE- 19

## Other Financial Liabilities (CURRENT)

( Amount in lakh ₹ )

Particulars	As at 31.03.2022	As at 31.03.2021
Liability for Capital Supplies/ Works	38.89	40.57
Liability for O & M Supplies / Works	159.15	18.20
Deposits & Retentions from Suppliers & Others	41513.92	41348.86
<b>UP State Power Sector Employee CPF Trust</b>		
* Liabilities towards UPPCL CPF Trust	49.29	45.55
<b>CPF Gratuity</b>	31.95	29.90
<b>UP State Power Sector Employee GPF Trust</b> *Pension and Gratuity Liability	738.14	685.54
Staff Related Liabilities	3287.63	3028.11
Leave Encashment Liabilities	957.12	973.59
Sundry Liabilities	40826.59	41841.47
Payable to UPNEDA**	8562.66	4997.55
<b>A Payable against Loan -</b>		
MADHYANCHAL V.V.N.L.	7658.13	9673.83
PASHIMANCHAL V.V.N.L.	7516.25	10021.67
DAKSHINACHAL V.V.N.L.	7225.00	10770.33
POORVANCHAL V.V.N.L.	8850.63	11800.83
<b>B Other Payable to Subsidiaries -***</b>		
MADHYANCHAL V.V.N.L.	29200.84	3296.58
PASHIMANCHAL V.V.N.L.	14247.79	15.57
DAKSHINACHAL V.V.N.L.	12032.50	14.63
POORVANCHAL V.V.N.L.	11219.26	17.89
KESCO	22868.84	89569.23
<b>C Payable to Other Companies</b>		
Payable to UPPTCL	6401.39	6563.72
Payable to UPJVNL	9081.66	9081.66
Liabilities for Expenses	4945.07	1704.94
Provision for Loss incurred by the GPF and CPF Trust	14370.38	0.00
<b>TOTAL</b>	<b>251783.08</b>	<b>155970.99</b>

\* Includes interest on CPF

\*\* Amount received in advance from U.P. New & Renewable Energy Development Agency towards subsidy against purchase of power from new & renewable energy generators.

\*\*\* it relates to grant received from GOUP and misc. receipt from department of GOUP on behalf of the subsidiaries.







# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 20

## REVENUE FROM OPERATIONS

( Amount in lakh ₹ )

Particulars	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
<b>SALE OF POWER</b>		
Subsidiaries		
Dakshinanchal VVNL	1001906.56	1137968.82
Madhyanchal VVNL	1287911.40	1300250.46
Paschimanchal VVNL	1881569.48	1978712.84
Purvanchal VVNL	1106469.48	1344673.16
KESCO	239503.89	255942.04
* Adjustments	(2147.98)	66326.99
	5515212.83	6083874.31
<b>TOTAL</b>	<b>5515212.83</b>	<b>6083874.31</b>

\* Refer note no. 30(13)(b)

NOTE - 21

## OTHER INCOME

( Amount in lakh ₹ )

Particulars	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
<b>a Interest from :</b>		
Loans to Staff	0.14	0.49
Loans to NPCL ( Licencee )	2246.45	1954.56
Fixed Deposits	8838.16	10627.51
Bonds	953.25	1123.10
Others	318.08	103.62
	12356.08	13809.28
<b>b Others</b>		
Income from Contractors/Suppliers	33.24	38.83
Rental from Staff	41.74	59.28
School Fee/Recruitment Examination Fee	1021.02	2168.05
Miscellaneous Receipts	337.30	38.55
	1433.30	2304.71
<b>TOTAL</b>	<b>13789.38</b>	<b>16113.99</b>





# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 22

## PURCHASE OF POWER

( Amount in lakh ₹ )

Particulars	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
Power Purchased from Generators & Traders	5148792.98	5254853.17
Surcharge	(6007.98)	377398.46
Unscheduled Interchange & Reactive Energy Charges	(51394.09)	(4466.12)
Inter-state Transmission & Related Charges	455901.07	483204.54
<b>TOTAL - Purchase of Power</b>	<b>5547291.98</b>	<b>6110990.05</b>
Less - Rebate against Power Purchase	14718.91	7405.54
Subsidy against Purchase of Solar Power	17360.24	32079.15
		19710.20
		27115.74
<b>TOTAL</b>	<b>5515212.83</b>	<b>6083874.31</b>

NOTE - 23

## Employee benefits expense

( Amount in lakh ₹ )

Particulars	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
Salaries & Allowances	15994.55	18695.16
Staff Welfare Expenses	49.46	153.13
Pension & Gratuity	5172.68	2172.95
Other Terminal Benefits	739.16	657.22
<b>SUB TOTAL</b>	<b>21955.85</b>	<b>21678.46</b>
LESS - Expenses Capitalised	43.16	74.45
<b>TOTAL</b>	<b>21912.69</b>	<b>21604.01</b>
<b>LESS - Employees Cost Allocated to DISCOMs and Others</b>		
KESCO	521.32	705.31
Madhyanchal VVNL	2438.20	3160.12
Purvanchal VVNL	2626.66	3627.04
Pashchimanchal VVNL	2753.58	3577.53
Dakshinanchal VVNL	2411.69	3201.10
UPRVUNL	54.20	66.56
UPJVNL	21.71	22.39
UPPTCL	1737.56	12564.92
		1756.76
		16116.81
	<b>9347.77</b>	<b>5487.20</b>

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# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

**NOTE - 24**

## FINANCE COSTS

( Amount in lakh ₹ )

Particulars	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
<b>Other borrowing costs</b>		
Bank Charges	2.62	0.19
Guarantee Charges	0.00	2.14
Interest to CPF Trust	3.74	4.59
<b>GRAND TOTAL</b>	<b>6.36</b>	<b>6.92</b>

**NOTE - 25**

## DEPRECIATION AND AMORTIZATION EXPENSE

( Amount in lakh ₹ )

Particulars	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
<b>Depreciation on -</b>		
Buildings	152.56	150.09
Other Civil Works	20.17	20.20
Plant & Machinery	35.71	43.21
Lines, Cable Network etc.	0.26	0.26
Vehicles	15.98	17.91
Furniture & Fixtures	39.04	37.28
Office Equipments	213.22	173.51
Intangible Assets	74.25	69.17
<b>GRAND TOTAL</b>	<b>551.19</b>	<b>511.63</b>







# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 26

## ADMINISTRATIVE, GENERAL & OTHER EXPENSES

( Amount in lakh ₹ )

Particulars	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
Rent	1.45	1.45
Insurance	2.73	5.85
Communication Charges	111.12	106.61
Legal Charges	1243.72	1380.10
Auditors Remuneration & Expenses		
Audit Fee	5.00	5.00
GST/Service Tax	0.90	0.90
	5.90	5.90
Consultancy Charges	718.09	1461.80
Technical Fees & Professional Charges	1200.99	1549.83
Travelling and Conveyance	887.71	486.94
Printing and Stationery	63.32	161.87
Advertisement Expenses	172.46	70.50
Electricity Charges	974.00	429.00
Entertainment	3.40	7.81
Expenditure on Trust	6.65	3.04
Miscellaneous Expenses	2049.75	2385.83
<b>TOTAL</b>	<b>7441.29</b>	<b>8056.53</b>
<b>LESS - Administrative, General &amp; Other Expenses Allocated to DISCOMs and Others</b>		
KESCO	77.47	97.38
Madhyanchal VVNL	548.78	598.08
Purvanchal VVNL	634.55	716.76
Pashchimanchal VVNL	750.15	870.59
Dakshinanchal VVNL	582.20	643.77
UPRVUNL	63.73	49.14
UPJVNL	8.80	7.35
UPPTCL	65.91	48.82
	2731.59	3031.89
	<b>4709.70</b>	<b>5024.64</b>

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# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 27

## REPAIRS AND MAINTENANCE

( Amount in lakh ₹ )

Particulars	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
Plant & Machinery	265.15	290.45
Buildings	551.03	1125.80
Other Civil Works	0.09	7.48
Vehicles - Expenditure	57.85	436.98
<b>Less - Transferred to different Capital &amp; O&amp;M Works/Administrative Exp.</b>	<b>57.85</b>	<b>436.98</b>
Furniture & Fixtures	3.79	5.98
Office Equipments	272.49	365.27
<b>TOTAL</b>	<b>1092.55</b>	<b>1794.98</b>
<b>LESS - Repairs and Maintenance Cost Allocated to DISCOMs and Others</b>		
KESCO	0.96	7.36
Madhyanchal VVNL	6.67	46.99
Purvanchal VVNL	7.82	54.81
Pashchimanchal VVNL	9.48	70.81
Dakshinanchal VVNL	7.34	50.82
UPRVUNL	72.24	128.90
UPJVNL	11.83	16.11
UPPTCL	80.83	107.66
	<b>197.17</b>	<b>483.46</b>
	<b>895.38</b>	<b>1311.52</b>

NOTE - 28

## BAD DEBTS & PROVISIONS

( Amount in lakh ₹ )

Particulars	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
<b>PROVISIONS</b>		
Doubtful Debts ( Sale of Power )	753.75	(25092.68)
Financial Assets Others (Other Receivable)	(46.16)	(1708.12)
Financial Assets Others (Non Current)	1741.61	4888.79
Doubtful Debts (Loans to NPCL)	2246.45	1954.56
Impairment in investment	809739.72	(1711168.00)
<b>TOTAL</b>	<b>814435.37</b>	<b>(1731125.45)</b>

Note- Negative figures indicate the reversal of provisions which were made in earlier years.

NOTE - 29

## EXCEPTIONAL ITEMS

( Amount in ₹ )

Particulars	For the Year ended on 31.03.2022	For the Year ended on 31.03.2021
Provision for Loss incurred by the GPF and CPF Trust	14370.38	0.00
<b>TOTAL</b>	<b>14370.38</b>	<b>0.00</b>

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**U.P. POWER CORPORATION LIMITED**  
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31st MARCH 2022**

		(₹ in Lakhs)	
		2021-22	2020-21
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/ (Loss) Before Taxation & Exceptional items	(816,156.39)	1,734,897.53
	Adjustment For:		
a	Depreciation	551.19	511.63
b	Interest & Financial Charges	6.36	6.92
c	Bad Debts & Provision	814,435.37	(1,731,125.45)
d	Interest Income	(12,356.08)	(13,809.28)
	Sub Total	<b>802,636.84</b>	<b>(1,744,416.18)</b>
	<b>Operating Profit Before Working Capital Change</b>	<b>(13,519.55)</b>	<b>(9,518.65)</b>
	Adjustment for:		
a	Inventories	0.03	227.17
b	Trade Receivable	426,382.64	501,853.61
c	Other Current Assets	(15,743.45)	7,374.00
d	Financial assets-others	(361,877.13)	2,050,066.96
e	Other financial Liab.	80,918.43	(512,870.28)
f	Financial Liabilities-Borrowings	281,785.28	715,221.34
g	Trade Payable	(266,454.79)	(560,653.39)
h	Bank balance other than cash	(20,672.38)	(51,986.08)
	Sub Total	<b>124,338.63</b>	<b>2,149,233.33</b>
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>110,819.08</b>	<b>2,139,714.68</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
a	Decrease (Increase) in Property, Plant & Equipment	(368.70)	(788.77)
b	(Increase)/Decrease in Investments	(977,395.76)	(378,521.68)
c	Decrease/(Increase) in Loans & Other financial assets Non-current Assets	229,548.82	(4,796,313.93)
d	Interest Incomes	12,356.08	13,809.28
e	Decrease (Increase) in Intangible assets	(130.09)	(44.04)
	<b>NET CASH GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>(735,989.65)</b>	<b>(5,161,859.14)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACITIVITIES</b>		
a	Proceeds from Borrowing	(231,820.27)	2,098,122.07
b	Proceeds from Share Capital	777,213.52	727,624.58
c	Proceed from other equity	-	(1,003.08)
d	Other long term liabilities	13,426.99	358,197.66
e	Interest & Financial Charges	(6.36)	(6.92)
	<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>558,813.88</b>	<b>3,182,934.31</b>
	<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(66,356.69)</b>	<b>160,789.85</b>
	<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>240,229.58</b>	<b>79,439.73</b>
	<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note no.09)</b>	<b>173,872.89</b>	<b>240,229.58</b>

**Notes to the Cash-Flow Statement**

- This Statement has been prepared under indirect method as prescribed by Ind AS-07
- Cash and cash equivalent consists of cash in hand, bank balances with scheduled banks and fixed deposits with banks.
- Previous year figures have been regrouped and reclassified wherever considered necessary.

  
(Jitesh Grover)  
Company Secretary  
(Additional Charge)


  
(A.K. Awasthi)  
Chief Financial Officer

  
(Nidhi Kumar Narang)  
Director(Finance)  
DIN - 03473420

  
(Pankaj Kumar)  
Managing Director  
DIN - 08095154

Place : Lucknow  
Date : 12-09-2022

Subject to our report of even date  
For D Pathak & Co.  
Chartered Accountants  
FRN No. 001439C



(A.K. Dwivedi)  
Partner  
M.No. 071584

UDIN:

22071584ARUJYK2380



# U.P. POWER CORPORATION LIMITED

CIN - U32201UP1999SGC024928

## NOTE NO.30

### NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2022 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE

1. (a) U.P. Power Corporation Limited (the "Company") was incorporated under the Companies Act, 1956 on 30.11.1999 and commenced the business w.e.f. 15.01.2000 in terms of Government of U.P. Notification No. 149/P-1/2000-24 dated 14.01.2000.

(b) Vide Govt. of U.P. Notification No. 186/XXIV-I-2000 Dt. Jan 15, 2000 the distribution business of KESA Zone of the erstwhile UPSEB has been transferred to KESCO, as wholly owned subsidiary company of the company, w.e.f. 15.1.2000.

(c) Due to division of State of Uttar Pradesh a separate State named Uttaranchal (now Uttrakhand) came into existence w.e.f. 09.11.2001 and a separate Corporation Uttaranchal Power Corporation Ltd. had taken over commercial operations in the State of Uttaranchal as per Govt. of India notification no. 42/7/2000-R&R dated 05.11.2001.

(d) The distribution business of U.P. Power Corporation Ltd. was transferred to subsidiary companies viz. Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow, Paschimanchal Vidyut Vitran Nigam Ltd., Meerut, Purvanchal Vidyut Vitran Nigam Ltd., Varanasi & Dakshiranchal Vidyut Vitran Nigam Ltd., Agra (Known as DISCOMs) on 11.08.2003 as per The Uttar Pradesh Power Sector Reforms (Transfer of Distribution Undertakings) Scheme, 2003 issued vide GoUP Notification No. 2740/P-1-2003-24-14P/2003 dated 12.08.2003.

(e) The State Government through Gazette Notification No. 2974(1)/24-P-2-2010, Dated 23 Dec 2010 made a Provisional Transfer Scheme for the purpose of transfer of the transmission activities including Assets, Liabilities and related proceedings from U.P. Power corporation Ltd. to the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL/TRANSCO). In terms of this Scheme, the transfer was made effective from 01.04.2007, the date since which the company and UPPTCL have started working as separate entities for purchase/sale of Bulk power and transmission work respectively.

2. (a) As per Final Transfer Schemes of Discoms and Transco issued vide notification no. 1528/24-P-2-2015-SA(218)-2014 dated November 03, 2015, and notification no. 1529/24-P-2-2015-SA(218)-2014 dated November 03, 2015 respectively, the final balances of assets and liabilities were given to 'DISCOMs' as on 11.08.2003, 'TRANSCO' as on 01.04.2007 and to the company as on 01.04.2007 against the balances earlier notified by Provisional Transfer Schemes of Discoms and Transco which were referred to in point 1(d) and 1(e) above.

Consequent upon the above notification the necessary adjustments in this regard were done in the annual accounts of the company for F.Y. 2014-15.

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(b) The assets and liabilities relating to Uttaranchal Power Corporation Ltd. were transferred as per the agreement dated 12.10.2003 with Uttaranchal Power Corporation Ltd., w.e.f. 09.11.01.

3. Equity received from GoUP for distribution works is invested in each DISCOM based on physical / financial targets and is shown as investment in respective DISCOMs.

4. (a)Based on actuarial valuation report dated 09.11.2000 (adopted by Board of Directors), provision for accrued liability on account of Pension and Gratuity for the employees recruited prior to creation of the UPPCL i.e. for GPF employees has been made @ 16.70% and 2.38% respectively on the amount of basic Pay and D.A. paid to employees.

(b) As required by IND AS 19 (Employee Benefits), the company has measured its liabilities arising from Gratuity for the employees recruited after creation of the UPPCL i.e for CPF employees on the basis of Actuarial Valuation Report dated 18.04.2022 for the F.Y. 2021-22.

(c) The provision for Earned Leave Encashment (Terminal Benefits) for all employees (i.e. GPF & CPF employees) has been made as per Actuarial Valuation Report dated 18.04.2022for the F.Y. 2021-22.

(d) The Disclosure with respect to the above point no 4(b) & 4(c) is as below:-

S NO.	Defined benefit plans:- (Amount ₹ in Lakhs)	Gratuity		Leave Encashment	
		As on 31/03/2022	As on 31/03/2021	As on 31/03/2022	As on 31/03/2021
<b>1</b>	<b>Assumptions</b>				
	Discount Rate	7.36%	6.81%	6.96%	6.41%
	Rate of increase in Compensation levels	7.00%	4.00%	7.00%	4.00%
	Rate of return on Plan assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Average future service (in Years)	24.70 Years	25.67 Years	16.22 Years	16.40 Years
<b>2</b>	<b>Service Cost</b>				
	Current Service Cost	148.44	114.17	172.75	128.87
	Past Service Cost (including curtailment Gains/ Losses)	0.00	0.00	0.00	0.00
	Gains or losses on Non Routine settlements	0.00	0.00	0.00	0.00
<b>3</b>	<b>Net Interest Cost</b>				
	Interest Cost on Defined Benefit Obligation	69.65	59.75	442.17	
	Interest Income on Plan Assets	0.00	0.00	0.00	0.00
	<b>Net Interest Cost (Income)</b>	<b>69.65</b>	<b>59.75</b>	<b>442.17</b>	



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4	<b>Change in present value of obligations</b>				
	Opening of defined benefit obligations	1022.70	868.53	6898.09	7527.88
	Interest cost	148.44	114.17	442.17	496.84
	Service Cost	69.65	59.75	172.75	128.87
	Benefits Paid	(22.41)	(23.74)	(1285.66)	(969.91)
	Actuarial (gain)/Loss on total liabilities	523.28	3.98	2752.58	(285.58)
	<i>due to change in financial assumptions</i>	480.10	11.70	1368.22	80.82
	<i>due to change in demographic assumptions</i>	0.00	0.00	0.00	0.00
	<i>due to experience Changes</i>	43.18	(7.72)	1384.36	(366.40)
	<b>Closing of defined benefit obligation</b>	<b>1741.65</b>	<b>1022.70</b>	<b>8979.93</b>	<b>6898.09</b>
5	<b>Change in the fair value of plan assets</b>				
	Opening Fair value of plan assets	0.00	0.00	0.00	0.00
	Actual return on plan assets	0.00	0.00	0.00	0.00
	Employer Contribution	22.41	23.74	1285.66	969.91
	Benefits paid	(22.41)	(23.74)	(1285.66)	(969.91)
	<b>Closing Fair value of plan assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
6	<b>Actuarial (Gain)/Loss on Plan Asset</b>				
	Expected Interest Income	0.00	0.00	0.00	0.00
	Actual Income on Plan Assets	0.00	0.00	0.00	0.00
	<b>Actuarial gain/(loss) on Assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
7	<b>Other Comprehensive Income</b>				
	Opening amount recognized in OCI outside P&L account	0.00	0.00	N/A	N/A
	Actuarial gain/(loss) on liabilities	(523.28)	(3.98)	N/A	N/A
	Actuarial gain/(loss) on assets	0.00	0.00	N/A	N/A
	<b>Closing amount recognized in OCI outside P&amp;L account</b>	<b>(523.28)</b>	<b>(3.98)</b>	<b>N/A</b>	<b>N/A</b>
8	<b>The amounts to be recognized in the Balance Sheet Statement</b>				
	Present value of obligations	1741.65	1022.70	8979.93	6898.09
	Fair value of plan assets	0.00	0.00	0.00	0.00
	Net Obligations	1741.65	1022.70	8979.93	6898.09
	Amount not recognized due to assets limit	0.00	0.00	0.00	0.00
	<b>Net defined benefit liability/(assets) recognized in balance sheet</b>	<b>1741.65</b>	<b>1022.70</b>	<b>8979.93</b>	<b>6898.09</b>
9	<b>Expenses recognized in Statement of Profit &amp; loss</b>				
	Service cost	148.44	114.17	172.75	128.87
	Net Interest cost	69.65	59.75	442.17	496.84
	Net actuarial (gain)/loss	0.00	0.00	2752.58	(285.58)
	<b>Expenses recognized in statement of Profit &amp; Loss</b>	<b>218.08</b>	<b>173.93</b>	<b>3367.49</b>	<b>340.13</b>
10	<b>Change in Net Defined Obligations</b>				
	Opening of Net defined benefit liability	1022.70	868.53	6898.09	7527.88
	Service Cost	148.44	114.17	172.75	128.87
	Net Interest Cost	69.65	59.75	442.17	496.84
	Re-measurements	523.28	3.98	2752.58	(285.58)
	Contributions paid to fund	(22.41)	(23.73)	(1285.66)	(969.91)
	<b>Closing of Net defined benefit liability</b>	<b>1741.65</b>	<b>1022.70</b>	<b>8979.93</b>	<b>6898.09</b>



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11	Sensitivity analysis				
	Item	As on 31/03/2022	Impact	As on 31/03/2022	Impact
	Base liability	174164921		897992885	
	Increase in Discount rate by 0.50%	159981299	(14183622)	864165183	(33827702)
	Decrease in Discount rate by 0.50%	189995272	15830351	934891278	36898393
	Increase in salary inflation by 1%	192127160	17962239	970706460	72713575
	Decrease in salary inflation by 1%	154656955	(19507966)	835706523	(62286362)
	Increase withdrawal rate by 0.5%	176467723	2302802	898940349	947464
	Decrease withdrawal rate by 0.5%	171623720	(2541201)	896960190	(1032695)

5. (a) The Company is making efforts to recognize and identify the location of land along with its title deed as well as of other Property, Plant & Equipment, transferred under various Transfer Schemes for the purpose of maintaining fixed assets registers.

(b) Where historical cost of a discarded/retired/obsolete Property, Plant & Equipment is not available, the estimated value of such asset and depreciation thereon has been adjusted and accounted for.

(c) In terms of powers conferred by the Notification no. GSR 627(E) dated 29 August 2014 of Ministry of Corporate Affairs, Govt. of India, the depreciation/amortization on Property; Plant & Equipment/Intangible Assets have been calculated taking into consideration the rate/useful life of assets as approved by the regulator in the regulation of UPERC (Multi Year tariff for Distribution and Transmission) Regulation, 2019.

6. (a) The provision for Bad and Doubtful Dues against sale of power has been made @ 5% on incremental debtors during the year.

(b) The details of provision for doubtful loans & advances are as under:-

(i) Provision to the extent of 10% on the balances of suppliers/ contractors has been made under Note no. 12 (Other Current Assets).

(ii) Provision @ 100% on interest accrued and due during the year on loan of NPCL has been made under the Note No. 06 (Loans & Other financial assets-Non Current).

(c) A provision for doubtful receivables to the extent of 10% on the balances appearing under the different heads of "Financial Assets-Other- Current" Note no. 11 (excluding Receivable on account of loan) has been made.

7. Reconciliation of balances of IUT amounting to Rs. 15188.17 Lacs is in under progress (refer note no. 12).

8. Liability towards staff training expenses, medical expenses and LTC has been provided to the extent established.

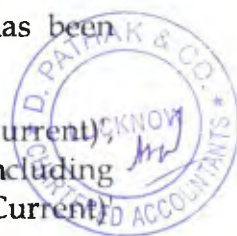
9. (a) Some balances appearing under the heads 'Financial Assets-Other (Current)', 'Loans & Other Financial Assets (Non-Current)', 'Other Current Assets (including UP Power Sector Employees Trust)', 'Other Financial Liabilities (Current)











and Financial Liabilities- Trade Payables (Current)' are subject to confirmation/ reconciliation and subsequent adjustments as may be required.

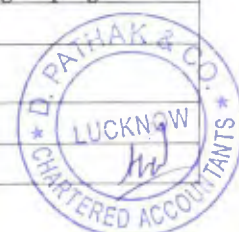
(b) On an overall basis the assets other than Property, Plant & Equipment, and Financial Assets-investments (Non-current) have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.

10. In accordance with the provision of INDAS 08(Accounting Policies, changes in Accounting Estimates and Errors), prior period(s) errors/omission have been corrected retrospectively by restating the comparative amounts of profit & loss for the prior period i.e. F.Y.2020-21 to the extent practicable along with changes in basic and diluted earnings per share. If the error/omission relates to a period prior to the comparative figure i.e. before F.Y. 2020-21, the other equity, assets and liabilities of the comparative period has been restated. The opening balance of Balance sheet items has also been restated due to re-grouping/ re-arrangement/ re-classification, wherever required.

Balance Sheet

₹ In Lakhs

S No.	Particulars	Note	Audited figures as on 31.03.2021	Adjustment	Restated figures as on 31.03.2021	Remarks
	<b>ASSETS</b>					
1	Non-current assets					
	(a) Property, Plant and Equipment	2	6323.02	(10.62)	6312.40	PPE Adjustment
	(b) Capital work-in-progress	3	250.05	14.27	264.32	Regrouping
	(c) Intangible assets	4	223.97	0.00	223.97	
	(d) Financial Assets					
	(i) Investments	5	2616863.30	0.00	2616863.30	
	(ii) Loans & Other Financial Assets	6	936063.46	5390990.19	6327053.65	Regrouping
	(iii) Others	7				
2	Current assets					
	(a) Inventories	7	1.68	0.00	1.68	
	(b) Financial Assets					
	(i) Trade receivables	8	3037404.73	36009.74	3073414.47	PPE Adjustment
	(ii) Cash and cash equivalents	9	240199.70	29.88	240229.58	PPE Adjustment
	(iii) Bank balances other than (ii) above	10	228847.96	0.00	228847.96	
	(iv) Others	11	5870298.75	(4970458.16)	899840.59	PPE Adjustment/ Regrouping
	(c) Other Current Assets	12	51123.23	(5557.34)	45565.89	PPE Adjustment/ Regrouping
	<b>Total Assets</b>		<b>12987599.85</b>	<b>451017.96</b>	<b>13438617.81</b>	
	<b>EQUITY AND LIABILITIES</b>					
	<b>Equity</b>					
	(a) Equity Share Capital	13	10412645.52	0.00	10412645.52	



	(b) Other Equity	14	(7247744.01)	(3977.24)	(7251721.25)	PPE Adjustment
	<b>LIABILITIES</b>					
1	Non-current liabilities					
	(a) Financial liabilities					
	(i) Borrowings	15	6333208.15	(6154.50)	6327053.65	Regrouping
	(b) Other financial liabilities	16	6950.74	358839.11	365789.85	PPE Adjustment/ Regrouping
2	Current liabilities					
	(a) Financial liabilities					
	(i) Borrowings	17	0	790638.45	790638.45	Regrouping
	(ii) Trade payables	18	2600335.59	37905.01	2638240.60	PPE Adjustment
	(iii) Other financial liabilities	19	882203.86	(726232.87)	155970.99	PPE Adjustment/ Regrouping
	<b>Total Equity and Liabilities</b>		<b>12987599.85</b>	<b>451017.96</b>	<b>13438617.81</b>	

**Profit & Loss Account**

S No.	Particulars	Note	Audited figures for the year ended 31.03.2021	Adjustment of Prior Period Errors/Regrouping			Restated figures for the Year ended 31.03.2021	Equity (Reserve & Surplus) restated for the period ended 31.03.2020 and before
				Related to the Year ended 31.03.2021	Related to the Year ended 31.03.2020 and before	Total		
I	Revenue From Operations	20	6044916.32	38957.99	(1052.95)	37905.04	6083874.31	(1052.95)
II	Other Income	21	16163.75	(49.76)	(1000.54)	(1050.30)	16113.99	(1000.54)
III	<b>Total Income (I+II)</b>		6061080.07	38908.23	(2053.49)	36854.74	6099988.30	(2053.49)
IV	<b>EXPENSES</b>							
	Purchases of Stock-in-Trade (Power Purchased)	22	6044916.32	38957.99	(1052.95)	37905.04	6083874.31	(1052.95)
	Employee benefits expense	23	5487.20	0.00	0.00	0.00	5487.20	0.00
	Finance costs	24	6.92	0.00	0.00	0.00	6.92	0.00
	Depreciation and amortization expenses	25	503.56	8.07	2.55	10.62	511.63	2.55
	Other expenses					0		0
	Administration, General & Other Expense	26	4918.60	106.04	0.00	106.04	5024.64	0.00
	Repair and Maintenance	27	1295.99	15.53	0.00	15.53	1311.52	0.00
	Bad Debts & Provisions**	28	(1733920.21)	2794.76	0	2794.76	(1731125.45)	0.00
	<b>Total expenses (IV)</b>		<b>4323208.38</b>	<b>41882.39</b>	<b>(1050.40)</b>	<b>40831.99</b>	<b>4365090.77</b>	<b>(1050.40)</b>

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V	Profit/(Loss) before exceptional items and tax (III-IV)	1737871.69	(2974.16)	(1003.08)	(3977.24)	1734897.53	(1003.08)
VI	Exceptional Items						
VII	Profit/(Loss) before tax (V(+/-)-VI)	1737871.69	(2974.16)	(1003.08)	(3977.24)	1734897.53	(1003.08)
VIII	Tax expense:						
	(1) Current tax	0.00	0.00	0.00	0.00	0.00	0.00
	(2) Deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	1,737,871.69	(2974.16)	(1003.08)	(3977.24)	1734897.53	(1003.08)
X	Profit/(Loss) from discontinuing operations						
XI	Tax expense of discontinuing operations						
XII	Profit/(Loss) from discontinuing operations (after tax) (X-XI)						
XIII	Profit/(Loss) for the period (IX+XII)	1,737,871.69	(2974.16)	(1003.08)	(3977.24)	1734897.53	(1003.08)
XIV	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss- Re-measurement of Defined Benefit Plans (Actuarial Gain or Loss)	(3.98)	0.00	0.00	0.00	(3.98)	0.00
	(ii) Income tax relating to items that will not be reclassified to profit or loss						
	B (i) Items that will be reclassified to profit or loss						
	(ii) Income tax relating to items that will be reclassified to profit or loss						



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XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)	1,737,867.71	(2974.16)	(1003.08)	(3977.24)	1734893.55	(1003.08)
	Basic EPS	176.31				176.01	
	Diluted EPS	175.23				174.93	

\*\*

a) The restated figure of Bad debts & Provisions includes the following:

₹ In Lakhs		
i.	Sale of Power	1895.25
ii.	Advances to suppliers	(1731.88)
iii.	Financial Assets (others)	2631.39
	<b>Total</b>	<b>2794.76</b>

b) The reversal of bad debts & provisions has been done due to consequential impact of prior period omission and re-grouping/ re-classification.

11. Basic and diluted earnings per share have been shown in the Statement of Profit & Loss in accordance with Ind-AS 33 "Earnings per Share". Basic earnings per share have been computed by dividing net loss after tax by the weighted average number of equity shares outstanding during the year. Number used for calculating diluted earnings per equity share includes the amount of share application money (pending for allotment).

Earnings per share:		31.03.2022	31.03.2021
(a)	Net Profit/(loss) after tax (numerator used for calculation) ₹ in Lakhs	(831050.05)	1734893.55
(b)	Weighted average number of Equity Shares* (denominator for calculating Basic EPS)	1060503625	985682252
(c)	Weighted average number of Equity Shares* (denominator for calculating Diluted EPS)	1066980407	991745794
(d)	Basic earnings per share of ₹ 1000/- each in ₹	(78.36)	176.01
(e)	Diluted earnings per share of ₹1000/- each in ₹	(78.36)	174.93

\* Calculated on monthly basis.

12. Nothing adverse has been reported by the units/zone concerned regarding non-compliance of the provisions in respect of unpaid liabilities and interest thereon under the MSMED Act 2006.

13. (a) The energy sold to Discoms has been billed on differential Bulk Sale Tariff (BST) which is calculated by apportioning the average BST in the ratio of Average Billing Rate for Discoms. The average BST is computed on the basis of cost of energy purchased by the company after prior period adjustments, divided by total quantum of energy supplied to UP Discoms.

(b) Amount shown as 'Adjustments' in Note No. 8 and 20 relate to the cost of Power Purchase included (Short/ Excess) in computation of billing rate for sale of power to Discoms.

14. Payment in foreign currency- Nil (previous year-Nil).

15. Quantitative Details of Energy purchased and sold:-

S. No.	Details	2021-22	2020-21
(I)	Total number of Units purchased	123406.88 MU	120589.94 MU
(II)	Total number of units sold	116885.13MU	113858.89 MU
(III)	% of Loss	5.28	5.58

16. Contingent Liabilities/Assets:- Contingent Liabilities have been disclosed to the extent ascertainable as under:

S. No.	Details	2021-22 Amount (₹. in Lakhs)	2020-21 Amount (₹. in Lakhs)
(i)	Capital commitments	-	-
(ii)	Income Tax	-	-
(iii)	Power Purchase	1008393.18	1400278.56
(iv)	Other Contingencies	163023.04	128296.82
(V)	Contingent Assets	481.55	481.55

17. Corporate Social Responsibility (CSR) Expenditure:

The Company has incurred average losses during the three immediately preceding financial years as per calculation in accordance with the provisions of Section 198 of the Companies Act 2013, hence no expenditure has been incurred by the company.

18. Since the Company is principally engaged in the business of Electricity and there is no other reportable segment as per Ind AS-108 "Operating Segments", hence the disclosure as per Ind AS-108 on segment reporting is not required.













## 19. RELATED PARTY TRANSACTIONS

(i) In terms of provisions contained in Ind AS 24, certain informations are disclosed in the financial statements.

(a) List of Subsidiaries:-

i.	Madhyanchal Vidyut Vitran Nigam Limited
ii.	Pashchimanchal Vidyut Vitran Nigam Limited
iii.	Purvanchal Vidyut Vitran Nigam Limited
iv.	Dakshinanchal Vidyut Vitran Nigam Limited
v.	Kanpur Electricity Supply Company Limited

(b) Key management personnel:-

S. No.	Name	Designation	Period (For FY 2021-22)	
			From (Date of Appointment)	To
1	Shri M. Devaraj, IAS (DIN-08677754)	Chairman & Managing Director	02.02.2021	09.03.2021
		Chairman	10.03.2021	31.03.2022
2	Shri Pankaj Kumar (DIN-08095154)	Managing Director	10.03.2021	31.03.2022
3	Shri Ajay Kumar Purwar (DIN-08544396)	Director (PM&A)	10.07.2019	31.03.2022
4	Shri Ashok Kumar Srivastava (DIN-08189765)	Director (Commercial)	27.06.2018	26.06.2021
5	Shri Sudhir Arya (DIN-05135780)	Director (Finance)	30.07.2019	15.07.2021
6	Shri Ashwani Kumar Srivastava (DIN-07677222)	Director (Distribution)	19.01.2021	31.03.2022
7	Shri Anil Kumar Awasthi	Chief Financial Officer	05.03.2020	31.03.2022
8	Dr. Jyoti Arora	Company Secretary	30.07.2021	31.03.2022

(c) The Company is a State Public Sector Undertaking (SPSU) controlled by State Government by holding majority of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24 (Related Party Disclosures), entities over which the same government has control or joint control, or significant influence, then the reporting entity and other entities shall be regarded as related parties. However, in view of the exemption available for Government related entities the Company has made limited disclosures in the financial statements. Such entities with which company has significant transactions include, but not limited to, are as follows:-

- I. UP Power Transmission Corporation Limited,
- II. Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited
- III. Uttar Pradesh Jal Vidyut Nigam Limited.



**(d) Trusts for Benefit Plan:-**

- i. Uttar Pradesh Power Sector Employees Trust
- ii. U.P. Power Corporation Bhavishya Nidhi Anshdayee Trust

**e) TRANSACTIONS ENTERED WITH THE RELATED PARTIES DURING THE FINANCIAL YEAR 2021-22**

**(Amount ₹ in Lakhs)**

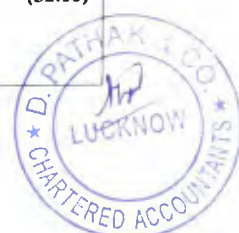
S. No.	Particulars	Subsidiary DISCOMs	Key Management Personnel	Others					Total
				UPRVUNL	UPJVNL	UPPTCL	GPF TRUST	CPF TRUST	
1	2	3	4	5	6	7	8	9	10
a.	Purchase of Power	-	-	888098.23	12219.59	-	-	-	900317.82
b.	Sale of Power	5515212.83	-	-	-	-	-	-	5515212.8
c.	Allocation of Common Expenditure	13376.87	-	190.17	42.34	1884.3	-	-	15493.68
d.	Investment in equity	977395.76	-	-	-	-	-	-	977395.76
e.	Receivable on account of Loan (Note 6)*	(231820.27)	-	-	-	-	-	-	(231820.27)
f.	Receivable on account of Loan (Note 11)*	344461.03	-	-	-	-	-	-	344461.03
g.	Receivable other than Loan (Note 11)	23966.10	-	-	-	-	-	-	23966.10
h.	Receivable other than Loan (Note 8)	(357907.68)	-	-	-	-	-	-	(357907.68)
i.	Payable against Loan (Note 16)	10479.69	-	-	-	-	-	-	10479.69
j.	Payable against Loan (Note 19)	(11016.65)	-	-	-	-	-	-	(11016.65)
k.	Salary, T.A etc. to KMPs	-	199.71	-	-	-	-	-	199.71
l.	Transaction related to payable & paid contribution (GPF Trust)	-	-	-	-	-	(52.60)	-	(52.60)

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m.	Transaction related to payable & paid contribution (CPF Trust)	-	-	-	-	-	-	(3.74)	(3.74)
n.	Other Transactions	86224.56	-	111.71	-	3099.67	-	-	89435.94
	<b>GRAND TOTAL</b>	<b>6370372.20</b>	<b>199.71</b>	<b>888400.11</b>	<b>12261.93</b>	<b>4983.97</b>	<b>(52.60)</b>	<b>(3.74)</b>	<b>7276161.60</b>

\*Loans have been arranged by UPPCL on behalf of Discoms and the same has been routed through the accounts of the company. However, Interest on such loans and other charges related thereto are being accounted for in the books of Discoms.

**f) CLOSING BALANCES as at 31.03.2022**

(Amount ₹ in Lakhs)

Sl No.	Name of Related Party	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(1)	Madhyanchal Vidyut Vitran Nigam Limited.	2340029.07	2310158.83
(2)	Paschimanchal Vidyut Vitran Nigam Limited.	1074813.16	1170471.39
(3)	Purvanchal Vidyut Vitran Nigam Limited.	3274722.07	3401292.32
(4)	Dakshinanchal Vidyut Vitran Nigam Limited.	2425220.94	2516116.49
(5)	Kanpur Electricity Supply Company Limited.	470090.95	493825.57
(6)	U.P Power Transmission Corporation Limited	19871.33	16771.68
(7)	U.P Rajya Vidyut Utpadan Nigam Limited	(691538.45)	(833917.27)
(8)	U.P Jal Vidyut Nigam Limited	(78474.80)	(29397.01)
(9)	U.P Power Sector Employees Trust	17115.73	17168.33
(10)	U.P Power Corporation Bhavishya Nidhi Anshdayi Trust	(49.29)	(45.55)

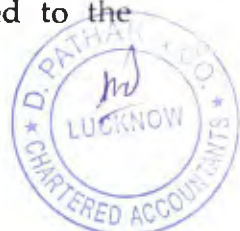
20 (i) Grants / Subsidies received under different schemes for DISCOMs are treated initially as payable to DISCOMs and subsequently are transferred / adjusted against DISCOMs concerned.

(ii) During the year 2021-22, the Capital Grant of Rs.600.00 Lakhs, Revenue Grant of Rs. 25129.00 Lakhs and Revenue Subsidy of Rs. 2213816.34 Lakhs have been received from Govt. of U.P. on behalf of the DISCOMs and have also been distributed to the DISCOMs. The DISCOMs wise details are furnished below:











Amount(₹ in Lakhs)				
Sr. No.	Name of DISCOM	Capital Grant	Revenue Grant	Total Subsidy (Tariff+Loss funding+ Atmnirbhar+Bunkar)
1	MVVNL	-	8526.83	522818.81
2	PuVVNL	-	7919.07	700001.23
3	PVVNL	-	3386.48	544532.46
4	DVVNL	600	5296.62	419184.75
5	KESCO	-	-	27279.08
<b>Total</b>		<b>600</b>	<b>25129.00</b>	<b>2213816.33</b>

(iii) As per GO No. 445-1-21-731 (Budget)/ 2020 dated 05.03.2021 of Govt. of U.P. the subsidies of Rs. 2094000.00 Lakhs is receivable from the Govt. of U.P. in favour of DISCOMS through the company (UPPCL) and the same are to be paid by the Govt. of U.P. in the forthcoming 10 years. DISCOM wise details are as under:

(Amount ₹ in Lakhs)				
Sr. No.	Name of DISCOM	Balance as on 31.03.2021	Received during 2021-22	Balance as on 31.03.2022
1	MVVNL	97808.00	9341.74	88466.26
2	PuVVNL	811554.26	77512.32	734041.94
3	PVVNL	914644.74	87358.64	827286.10
4	DVVNL	215969.00	20627.41	195341.59
5	KESCO	54024.00	5159.89	48864.11
<b>Total</b>		<b>2094000.00</b>	<b>200000.00</b>	<b>1894000.00</b>

(iv) Financial arrangement through Loans/Bonds etc are made on behalf subsidiary companies and subsequently are transferred/adjusted against respective Discoms.

21. Equity share capital includes Rs 37348.67 Lakhs received from GoUP under the Uttar Pradesh power Distribution Network Project against which company has already invested Rs 45576.35 Lakhs with Discoms and balance is/will be claimed as and when incurred by respective Discoms as per the terms of sanction of ADB Loan. Discom wise break up of investment is given below:

(Amount ₹ in Lakhs)				
Sr. No.	Name of DISCOM	Fund released as investment in equity of Discoms (F.Y. 2021-22)	Fund released as investment in equity of Discoms(F.Y. 2020-21)	Total
1	MVVNL	7929.08	4964.62	12893.70
2	PUVVNL	11456.75	4867.68	16324.43
3	PVVNL	2245.18	3766.31	6011.49
4	DVVNL	6883.03	3441.52	10324.55
5	Unallocated Amount	22.18	0.00	22.18
<b>Total</b>		<b>28536.22</b>	<b>17040.13</b>	<b>45576.35</b>

22. The details of Earmarked Balances with banks are as under:

(Amount ₹ in Lakhs)

Name of Bank	A/C Title	Bank Balance	FDR Balance
HDFC	DSRA SERIES 1 A/C	0.00	23476.99
	BOND SER ESCROW A/S	0.00	20887.45
	BOND SER ESCROW A/S 2	0.00	3788.28
	DSRA SERIES 2 A/C	0.00	15373.23
	TOTAL	0.00	63525.95
ICICI	UPPCL RPO REGULATORY FUND	622.57	54.78
	DISTRIBUTION NETWORK REHABILITATION A/C	14839.44	0.00
	UPPCL BOND SERVICING SERIES- I A/C	0.00	19818.35
	UPPCL DEBT SERVICE RESERVE- I A/C	0.00	42410.33
	UPPCL BOND SERVICING SERIES- II A/C	0.00	24977.69
	UPPCL DEBT SERVICE RESERVE- II A/C	0.00	51416.98
	UPPCL BOND SERVICE A/C (SERIES- I)2022	0.00	194.00
	UPPCL DEBT SERVICE RESERVE A/C Bond (SERIES - I) 2022	0.00	19327.28
	ICICI (NEDA SOLAR) (Against corpus fund)		4404.68
SBI	ADB Fund	22.18	0.00
	TOTAL	15484.19	162597.45
	GRAND TOTAL	15484.19	226123.40

23. The guarantee issued by GoUP in favor of various Banks, FI's and trustees of bonds issued by company as a security stood at ₹93036.65 Crore as on 31.03.2022 against ₹ 79053.65 Crore as on 31.03.2021.

**Disclosure pursuant to Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

24. The status of Bonds issued by the Company for the Discoms as on 31.03.2022 is as under:-

(Amount ₹ in Lakhs)

S. No	Details of Bonds	Amount of Bonds	No. of Bonds	Maturity date	Date of Issue	Face Value	Rate of interest	Previous due date of interest payment	Paid/ or not	Next date of interest payment	Amount of interest payable on next date	Next due date of Principal payment	Principal Amount payable on next due date	Priority	Outstanding as at 31.03.2022	Outstanding as at 31.03.2021
Listed																
1	UPPCL Bond series III/2016-17	651000.00	65100	15-Feb-2027	17-Feb-2017	10	8.97%	15-Feb-2022	Paid	15-May-2022	9941.95	15-May-2022	23250.00	Guaranteed and Hypothecated for current period. Receivables	465000	558000
2	UPPCL Bond series IV/2016-17	348950.00	34895	15-Mar-2027	27-Mar-2017	10	8.48%	15-Mar-2022	Paid	15-Jun-2022	5327.50	15-Jun-2022	17462.50		249250	299100
3	UPPCL Bond series I/2017-18	449820.00	44982	20-Oct-2027	05-Dec-2017	10	9.75%	20-Jan-2022	Paid	20-Apr-2022	7315.47	20-Apr-2022	13230.00		364230	387210

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4	UPPCL Bond series II/2017-18	549100.00	54910	20-Jan-2028	27-Mar-2018	10	10.15%	20-Jan-2022	Paid	20-Apr-22	9700.62	20-Apr-2022	16150.00		387600.00	452200.00
5	UPPCL State Government Serviced Bond Series I/2022	395120.00	39512	22-Mar-2032	30-Mar-2022	10	9.70%	NA		30-June-2022	9660.41	01-July-2024	12347.50		395120.00	NA
Unlisted																
1	U.P. Power Corporation Ltd.-2031	537682.00	537682	04-Jul-2031	04-Jul-2016	1	9.70%	04-Jan-2022	Paid	04-Jul-2022	24370.08	04-Jul-2022	26884.10	Cost Guaranteed	510797.90	537682.00
2	U.P. Power Corporation Ltd.-2031	469998.00	469998	28-Sep-2031	28-Sep-2016	1	9.70%	28-Mar-2022	Paid	28-Sep-2022	21833.15	28-Sep-2022	23499.90		446498.10	469998.00
3	U.P. Power Corporation Ltd.-2032	29949.00	29949	30-Mar-2032	30-Mar-2017	1	9.70%	30-Mar-2022	Paid	28-Sep-2022	1720.37	28-Sep-2022	1247.97		24957.10	27433.03
		3431619.00	1272028								89569.58		29071.97		2783513.10	2701643.03

Payment of Principal amount is started from 19.07.2019.

### Credit Rating:

#### Current Rating (As on 31.03.2022)-

Bond Amount	4498.20 Cr. & 5491.00 Cr	6510.00 Cr & 3489.50 Cr
Crisil Ratings	A+(CE)/Stable	-
India Ratings	A+(CE)/Stable	AA(CE)/Stable
Brickwork Rating	AA-(CE)Stable	AA(CE)/Stable

#### • Previous Rating (As on 31.12.2021)-

Bond Amount	4498.20 Cr. & 5491.00 Cr	6510.00 Cr & 3489.50 Cr
Crisil Ratings	A+(CE)/Stable	-
India Ratings	A+(CE)/Stable	AA(CE)/Stable
Brickwork Rating	AA-(CE)/Stable	AA(CE)/Stable

In view of the above there is no change in the Credit Rating.

25.(a) Disclosure pursuant to Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation,2015.The following bonds issued by the Company as on February 17,2017, March 27,2017 December 05, 2017 & March 27, 2018 are secured as per the details:-





ISIN	Scrp Code	Maturity	Secured by way of	Amount (₹In Lakhs.)	Present Outstanding (₹ In Lakhs.)	Date of Creation of Security
INE540P07061, INE540P07079, INE540P07087, INE540P07095, INE540P07103	955768, 955769, 955770, 955771, 955772	15-02-2027	Hypothecation on Current Assets including Receivable of UPPCL and Govt guarantee	651000.00	465000.00	16-02-2017
INE540P07137, INE540P07145, INE540P07152, INE540P07160, INE540P07178	956146, 956147, 956148, 956149, 956150	13-03-2027	Hypothecation on Current Assets including Receivable of UPPCL and Govt guarantee	348950.00	249250.00	30-03-2017
INE540P07210, INE540P07228, INE540P07236, INE540P07244, INE540P07251, INE540P07269	957204, 957205, 957206, 957207, 957208, 957209	20-10-2027	Hypothecation on Current Assets including Receivable of UPPCL and Govt guarantee	449820.00	304290.00	06-12-2017
INE540P07301, INE540P07319, INE540P07327, INE540P07335, INE540P07343, INE540P07350	957804, 957806, 957807, 957808, 957809, 957810	20-01-2028	Hypothecation on Current Assets including Receivable of UPPCL and Govt guarantee	549100.00	387600.00	24-03-2018
INE540P07368, INE540P07376, INE540P07384, INE540P07392, INE540P07400, INE540P07418, INE540P07426, INE540P07434	973877, 973879, 973880, 973882, 973876, 973878, 973881, 973883	22-03-2032	Hypothecation on Current Assets including Receivable of UPPCL and Govt guarantee	395120.00	395120.00	29-03-2022

**The extent and nature of security created and maintained w.r.t Secured, Listed Non-convertible bonds:**

The assets of the company provide coverage of **1.45 times** of the interest and principal amount, which is in accordance with the terms of issue/ debenture trust deed (calculation as per statement of asset coverage ratio for the Secured debt securities).

The total assets of the company provide coverage of **1.43 times** of the principal, which is in accordance with the terms of issue (calculation as per statement of asset coverage ratio available for the unsecured debt securities).



25 (b) The market value of Bonds shown under the head FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT) at note no.05 is as under:-

(Amount ₹ in Lakhs)								
Settlement Date	Security	Valuation date	Original Maturity date	Residual maturity year	FIMMDA Yield as on 31.03.2022	Price	No. of bonds	Total amount/clean price
27.03.2017	7.75% PFC Bonds Series-164 (22.03.2027)	31.03.2022	22.03.2027	5	6.31	106.47	250	2661.67
27.03.2017	7.75% PFC Bonds Series-164 (22.03.2027)	31.03.2022	22.03.2027	5	6.31	106.47	250	2661.67
27.03.2017	7.75% PFC Bonds Series-164 (22.03.2027)	31.03.2022	22.03.2027	5	6.31	106.47	250	2661.67
27.03.2017	7.75% PFC Bonds Series-164 (22.03.2027)	31.03.2022	22.03.2027	5	6.31	106.47	250	2661.67
11.05.2017	7.75% PFC Bonds Series-164 (22.03.2027)	31.03.2022	22.03.2027	5	6.31	106.47	230	2448.73
Total							1230	13095.41

25(c) In compliance of SEBI Circular number SEBI/HO/MIRSD/CRADT/CIR/P/2020/ 207 Dated 22.10.2020 UPPCL has created "Recovery Expense Fund" by depositing the amount of Rs. 25.00 Lacs to the designated bank account of BSE.

26. Due to heavy unabsorbed losses i.e. ₹ (8187776.91) Lakhs as on 31.03.2022 and uncertainties to recover such losses in near future, the deferred tax assets have not been recognized in accordance with Para 34 of Ind AS-12 (Income Taxes) issued by ICAI.

27. The Company has allocated common expenses and facility cost related to related parties as shown at point no.19 above in the Employee Cost, Administrative, General & Other Expense & Repair & Maintenance as at 31.03.2022 based on ratio of financial year 2020-21. (Note no.23, 26 &27 of financial statements)

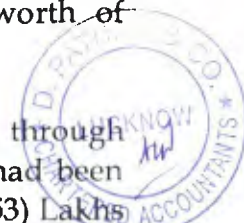
28. In the opinion of management, there is no specific indication of impairment of assets except Investment in Subsidiaries & Associates as on balance sheet date as envisaged by Ind AS-36 (Impairment of Assets). The impairment in investment in Subsidiaries and Associates is calculated on the basis of Net worth of Subsidiaries & associates since consistent basis.

29. In view of UPERC order dated 10.03.2022 in petition no. 1431/2019, through which capital cost of M/s Lalitpur Power Generation Company Ltd. had been revised, two debit notes amounting to ₹ (222575.55) Lakhs & Rs. (35344.53) Lakhs have been verified and issued to M/s Lalitpur Power Generation Company Ltd. However, as per APTEL order dated 01.04.2022 (A. No. 451 of 2022 in DFR No. 114 of 2022 & IA No. 450 of 2022) the debit notes related to purchase of power issued earlier amounting to Rs. (222575.55) Lakhs & Rs. (35344.53) Lakhs has to

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be kept in abeyance till final decision. Therefore, in view of APTEL order, the subjected debit notes amount has been reversed in accounts till final decision by the Hon'ble APTEL/Court/UPERC.

30. Disclosure in respect of provision for Bad & Doubtful debts, unserviceable stores and impairment in investment as per Ind AS-37 (Provisions, Contingent Liabilities and Contingent Assets) is as under:-

(Amount ₹ in Lakhs)

S. NO.	PARTICULARS	MOVEMENT OF PROVISIONS			
		OPENING BALANCE AS ON 01.04.2021	PROVISION MADE DURING THE YEAR	WITHDRAWAL / ADJUSTMENT OF PROVISION DURING THE YEAR	CLOSING BALANCE AS ON 31.03.2022
1	Provision for impairment in Investment	5,451,588.29	809,739.72		6,261,328.01
2	Provision for Doubtful debts on Sundry Debtors (Sale of power)	190,821.99	753.75		191,575.74
3	Provision for Bad & doubtful debts- Other current assets.	46.56		46.16	0.40
4	Provision for Bad & doubtful debts-Financial Assets -Loans (Non-Current)	15,042.41	2,246.45		17,288.86
5	Provision for Bad & doubtful debts-Financial Assets-other (Current)	19,097.85	1,741.61		20,839.46
6	Provision for Bad & doubtful debts-Advance to capital supplier	1.59	0.00		1.59
7	Provision for unserviceable stores	13.35	0.00		13.35
	Total	5,676,612.04	814,481.53	46.16	6,491,047.41

31. Annual Accounts of F.Y. 2018-19, 2019-20 & 2020-21 are yet to be adopted in Annual General Meeting.

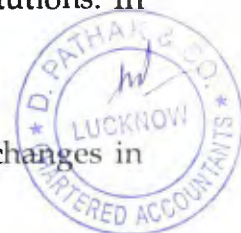
### 32. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes borrowings/advances, trade & other receivables and Cash that derive directly from its operations. The Company also holds equity investment.

The Company is exposed to the following risks from its use of financial instruments:

- (a) **Credit Risk:** Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligation resulting in a financial loss to the Company. Credit risk arises principally from cash & cash equivalents and deposits with banks and financial institutions. In order to manage the risk, company accepts only high rated bank/FIs.

- (b) **Market Risk- Foreign Currency Risk:** Market risk is the risk that changes in





market prices, such as foreign exchange rates and interest rates will affect the Company's income/loss. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company has no material foreign currency transaction hence there is no Market Risk w.r.t foreign currency translation.

- (c) **Market Risk- Interest Rate Risk:** The Company is exposed to interest rate risk arising from borrowing with floating rates because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by entering into different kind of loan arrangements with varied terms (eg. Rate of interest, tenure etc.).

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments are as under:

<b>(Amount ₹ in Lakhs)</b>		
<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>Financial Assets</b>		
Fixed Interest Rate Instruments- Deposits with Bank	283765.88	176865.30
Variable Interest Rate Instruments- Deposits with Bank	0.00	0.00
<b>Total</b>	<b>283765.88</b>	<b>176865.30</b>
<b>Financial Liabilities</b>		
Fixed Interest Rate Instruments- Financial Instrument Loans	43081.50	49236.00
Variable Interest Rate Instruments- Cash Credit from Banks	0.00	0.00
<b>Total</b>	<b>43081.5</b>	<b>49236.00</b>

### Fair value sensitivity analysis for fixed-rate instruments

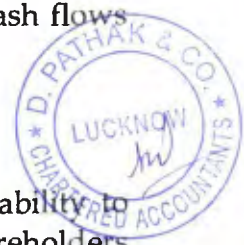
The company's fixed rate instruments are carried at amortized cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Liquidity Risk:** Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the company's reputation.

The Company manages liquidity risk by maintaining adequate FI/Bank facilities and reserve borrowing facilities by continuously monitoring, forecast the actual cash flows and matching the maturity profile of financial assets and liabilities.

### 33. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an appropriate capital structure of debt and equity.



The Company is wholly owned by the GoUP and the decision to transferring the share application money for issuing the shares is lay solely with GoUP. The Company acts on the instruction and orders of the GoUP to comply with the statutory requirements.

The debt portion of capital structure is funded by the various banks, FIs and other institutions as per the requirement of the company.

34. Southern U.P. Power Transmission Company Limited was incorporated on 08-08-2013 as a Government Company of Uttar Pradesh. The main Objectives of the Company consists evacuation/ transmission of Power from Lalitpur TPS to Agra and adjoining districts through 765/400 KV AIS/GIS substation and 765 & 400 KV transmission lines.

The Board of Directors of Southern U.P. Power Transmission Company Limited in its 6th meeting held on 20th September, 2016 has decided that necessary action for the closure of the Company/striking off of the name of the Company as per the provisions of the Companies Act, 2013 may be taken up. Since Southern U.P. Power Transmission Company Limited is a wholly owned subsidiary company of the Company, the Board of Directors of the Company in its 139th Meeting held on 21st May, 2018 has approved/ratify the above mentioned decision of the Directors of Southern U.P. Power Transmission Company Limited

The decision Board of Directors of the Company regarding closure of the Company/striking off of the name of the Company as per the provisions of Companies Act, 2013 has been approved by the Share Holders of the Company in its Extra Ordinary General Meeting held on 14th June, 2018.

Subsequently, this matter has been sent to the Energy Task Force (ETF) on 26th June, 2019 for its acceptance/approval. Resulting to this Southern U.P. Power Transmission Company Limited has issued its Equity Shares in the name of the Company for the amount of Rs. 221.63 Lacs in consideration of converting borrowings. The Board of the company, in its meeting dated 13.09.2018, has accorded to apply under section 248 of the Companies Act 2013, read with rule 4(1) of the companies (Removal of Name of Companies from Register of Companies) Rule, 2016 to strike off its name from Register maintained by the Registrar of Companies, Uttar Pradesh. Correspondingly the Company has shown this equity shares under the head of Investments and full impairment has been provided. Further, the Southern U.P. Power Transmission Company Limited has been struck off in the records of the register of the companies in the month of May 2022.

35. Due to the outbreak of the Covid19 globally and in India the company management has made an initial assessment of likely adverse impact on business and financial risk and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to continue as a going concern and meet its liabilities as and when they fall due.

36. UP Power Corporation Limited has opted for the option of lower rate of corporate income tax referred to in sub-section (5) of section 115BAA of the Income Tax-Act, 1961 for the Previous Year 2019-20 and subsequent years. It is also mentioned that there was



no carried forward MAT credit in the books of the corporation; hence exercise of the option has resulted into zero loss of MAT credit for the Company.

### **37. Exceptional Items of ₹ (14370.38) Lakhs**

#### **A. CONTRIBUTORY PROVIDENT FUND**

The Company makes provident fund contributions to defined benefit plan for eligible CPF employees. Under the CPF scheme, the company is required to contribute a specified percentage of the pay to the fund. The Employer (i.e. Company) and Employee's contributions are paid to the Trust (U.P Power Corporation Anshdayi Bhavishya Nidhi Trust, Lucknow) set up by the Company. The company is generally liable for depositing contributions to the Trust. The Trust has informed vide its letter no. 1021/102/CPF Trust/DHFL/FDR/Notional loss/2022 dated 11.07.2022, that the trust had incurred a loss of ₹ 81582.70 Lakhs (i.e. principal and interest) up to 31.03.2022 on investment of funds in Diwan Housing Finance Corporation Ltd., which has been declared as insolvent. Hence, the Trust has apportioned the above loss to the Companies, which are members of the Trust. Accordingly, the demand of ₹ 81582.70 Lakhs has been raised by the Trust to compensate the loss subject to legal opinion. Out of ₹ 81582.70 Lakhs, the Trust has apportioned ₹ 2513.45 Lakhs on the company (UPPCL). The financial statements of the Trust upto the F.Y. 2021-22 are yet to be finalized. In view of pending finalization of the accounts of Trusts up to 31.03.2022, the company has made the provision against the aforesaid demand and has recognized an expense and disclosed as an Exceptional Item in the Statement of Profit & Loss for the current year ended subject to determination of actual position as per financial statements of the Trust.

#### **B. GENERAL PROVIDENT FUND**

This scheme under the GPF scheme (applicable only for GPF employee's), the company is required to pay Employee's contributions to the Trust (U.P Power Sector Employee's Trust, Lucknow) set up the Company. The company is generally liable for depositing only employee's contributions to the Trust. The Trust has informed vide its letter no. 787/12/UPSPSET/DHFL/2019 dated 11.07.2022, that the trust had incurred a loss of ₹ 143253.11 Lakhs (i.e. principal and interest) up to 31.03.2022 on investment of fund in Diwan Housing Finance Corporation Ltd., which has been declared as insolvent. Hence, the Trust has apportioned the above loss to the Companies, which are members of the Trust. Accordingly, the demand of ₹ 143253.11 Lakhs has been raised by the Trust to compensate the loss subject to legal opinion. Out of ₹ 143253.11 Lakhs, the Trust has apportioned ₹ 11856.93 Lakhs on the company (UPPCL). The financial statements of the Trust upto the F.Y. 2021-22 are yet to be finalized. In view of pending finalization of the accounts of Trusts up to 31.03.2022, the company has made the provision against the aforesaid demand and has recognized an expense and disclosed as an Exceptional Item in the Statement of Profit & Loss for the current year ended subject to determination of actual position as per financial statements of the Trust.





38. The receivable from Uttrakhand Power Corporation Ltd. amounting to Rs. 192.61 Crore as on 31.03.2019 has been mutually settled and the same has been approved by the Board of Directors of the company in their meeting held on 18th December, 2019. Accordingly, the amount of Rs. 160.58 Crore payable to Uttrakhand Power Corporation Ltd. by U.P. Power Sector Employees Trust on account of GPF contribution has been adjusted against the above receivable amounting to Rs. 192.61 Crore and the same has been accounted for by the company in the ensuing accounts in hand i.e. F.Y. 2018-19 as receivable from U.P. Power Sector Employees Trust (Ref Note-12) and the balance amount of Rs. 32.03 Crore i.e (Rs. 192.61 Crore - Rs.160.58 Crore) has finally been written off and accounted for as Bad Debts in the F.Y.2018-19.

39. The figures as shown in the Balance Sheet, Statement of Profit & Loss, and Notes shown in (.....) denote negative figures.

40. Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable/ better presentation with the current year figures.

**41. OTHER STATUTORY INFORMATION IN TERMS OF NOTIFICATION DATED 24.03.2021 ISSUED BY MCA IN TERMS OF SECTION 467 OF THE COMPANIES ACT 2013**

(i) The company does not have any Benami property.

(ii) The company has not traded or invested in crypto currency or virtual currency during the financial year.

(iii) The company has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(iv) The company has not received any fund from any person(s) or entity (ies), including foreign entities (funding parties) with the understanding (whether recorded in writing or otherwise) that the company shall:

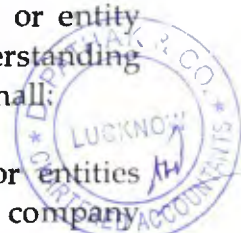
(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) except to the following equity received from GoUP invested in the subsidiary(Discoms) as per its requirement and loans are taken and bonds are issued on behalf of the Subsidiaries(Discoms)or

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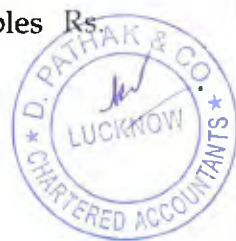
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- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (v) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income Tax Act, 1961).
- (vi) The company has invested in equity of its wholly owned subsidiaries and other companies as mentioned in Note no.05 of Financial Statements.
- (vii) The company is not being declared willful defaulter by the bank or financial institution or lender during the year.
- (viii) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (ix) The company has obtained fund/based/non-fund based credit limits from multiple banks aggregating to Rs 1930 Crores against security of receivables. Accordingly, as per the terms of sanction, Quarterly /Half Yearly statements in respect of gross receivables (including both current and non-current receivables) have been submitted to respective banks which stood at ₹87,263.73 crores, ₹94,381.14 crores, ₹94,794.96 crores and ₹81,657.46 crores respectively for Q1, Q2, Q3 and Q4 respectively. The Limited Review Financial results /balance sheet for Quarter-1 was not available, hence, the value of receivables for Quarter-1 was prepared on the basis of available information, for Quarter 2 & 3 gross receivable figures were reported on the basis of Limited Review Financial results and for Quarter 4 gross receivables figures from Un-Audited Balance sheet.

Value of current receivables and non-current receivables for the following Quarters (Rs in crores) as per Balance Sheet:-

1. Q2- Total receivables Rs. 94853.69 (Current receivables Rs. 33076.68 and Non-Current receivables Rs. 61777.01)
2. Q3- Total receivables Rs. 94794.96 (Current receivables Rs. 35329.44 and Non-Current receivables Rs. 59465.52)
3. Q4- Total receivables Rs. 81657.46 (Current receivables Rs. 27901.86 and Non-Current receivables Rs. 53755.60)

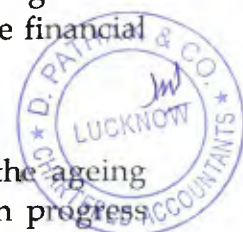


The status of limits utilized as on last day of each quarter is as below:-

SI No	Name of Lender	Total Limit Sanction	O/s as on 30.06.2021	O/s as on 30.09.2021	O/s as on 31.12.2021	O/s as on 31-03-2022
1	Central Bank of India	105.00	95.38	91.54	92.41	86.17
2	Punjab National Bank	465.00	128.40	324.86	374.93	152.49
3	Indian Bank	430.00	150.00	325.04	359.95	150.00
4	ICICI Bank	400.00	84.92	176.99	237.51	141.93
5	Bank of India	500.00	40.76	76.14	140.36	76.14
6	HDFC Bank	30.00	25.00	25.00	25.00	25.00
	<b>Total</b>	<b>1930.00</b>	<b>524.46</b>	<b>1019.57</b>	<b>1230.16</b>	<b>631.73</b>

The above includes both Fund based and Non-Fund based utilization of working capital limits.

- (x) The company has not made any transactions during the year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (xi) The company does not have any investment property.
- (xii) The company has not revalued any Property, Plant and Equipment (including Right-of-Use Assets)
- (xiii) The company has not revalued its Intangible Assets.
- (xiv) The company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company/erstwhile UPSEB.
- (xv) The company has not been entered into any Scheme of Arrangements (sections 230 to 237 of the Companies Act, 2013) during the financial year.
- (xvi) **Ageing Schedules:-**  
As per Ind As Schedule III of the companies Act, 2013, the ageing schedule of Trade Receivables, Trade Payable and work- in progress (capital expenditure) is given below:





**(A) Work-in-progress (Capital expenditure)**

₹ in Lakhs

CWIP	Amount in CWIP for a period of F.Y. 2021-22				Total *
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Project in progress	12.86			0.00	12.86
Project temporarily suspended					0.00
other (14.51)				2.52	2.52
Other (14.96)				0.21	0.21
Advance to capital supplier				14.27	14.27
<b>GRAND TOTAL</b>					<b>29.86</b>

**(B) Trade Receivables;**

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
1. Undisputed Trade receivables - considered good	1,991,779.59	793,776.29	-	-	-	2,785,555.88
2. Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
3. Undisputed Trade Receivables - credit impaired	-	-	-	-	52,297.94	52,297.94
4. Disputed Trade Receivables - considered good	-	-	-	-	-	-
5. Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
6. Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,991,779.59</b>	<b>793,776.29</b>	<b>-</b>	<b>-</b>	<b>52,297.94</b>	<b>2,837,853.82</b>



Unbilled Debtors amounting to Rs 1138489.74 Lakhs.

**(C) Trade Payables:**

Trade payable ageing schedule for the year ended on 31.03.2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	739.61	0.00	0.00	0.00	739.61
(ii) Others	2344309.03	46916.81	28261.99	54471.01	2473958.84
(iii) Disputed dues-MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues-Others	0.00	0.00	0.00	0.00	0.00
(v) Outstanding with Debit Balances	(37338.10)	(49185.17)	(2768.69)	(13620.69)	(102912.65)
<b>TOTAL</b>	<b>2307710.54</b>	<b>(2268.36)</b>	<b>25493.30</b>	<b>40850.32</b>	<b>2371785.81</b>

Unbilled Trade Payable amounting to Rs 863791.66 Lakhs.

\*It does not include interest amount as no amount has been claimed as interest by any MSME supplier in this regard. Interest provision will be provided when interest claimed by any supplier.

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## Ratios:

S.No.	Particulars of Disclosures	Numerator	Denominator	March 22	March 21	Variation in Ratio (%)	Reason of variation for more than 25%
1	Current ratio	Current Assets	Current Liability	1.19	1.25	(5.10)	
2	Debt-Equity Ratio	Total Debt (Non Current borrowings+ Current Borrowings)	Shareholder's equity (Equity Share Capital+Other Equity)	2.31	2.25	2.45	
3	Debt Service Coverage Ratio	Net Profit/(Loss) for the year+Finance Cost+Depreciation & amortization+Exceptional Items)	Scheduled principal repayment of Non Current borrowings	(0.002)	0.008	(119.13)	The Company has incurred net loss of Rs. 831050.05 Lakhs for the F.Y. 2021-22 as against net profit of Rs. 1734893.55 Lakhs in the previous financial year. The major reasons for net profit in previous financial year was due to reversal of impairment of investments in subsidiary Discoms due to increase in their net worth. The net worth of the Discoms was increased due to accountal receivable and received subsidy from GoUP. Hence, there was a substantial impact on the profit/loss as per standalone statement of P&L of the company for the FY-





4	Return on Equity	Net Profit/(Loss) for the year	Average Shareholder's equity (Equity Share Capital+Other Equity)	(0.27)	0.90	(129.48)	The Company has incurred net loss of Rs. 831050.05 Lakhs for the F.Y. 2021-22 as against net profit of Rs. 1734893.55 Lakhs in the previous financial year. The major reasons for net profit in previous financial year was due to reversal of impairment of investments in subsidiary Discoms due to increase in their net worth. The Discoms was increased due to accountal receivable and received subsidy from GoUP. Hence, there was a substantial impact on the profit/loss as per standalone statement of P&L of the company for the FY-2020-21
5	Inventory Turnover Ratio*	N/A	N/A	N/A	N/A	-	
6	Trade Receivable Turnover ratio	Revenue from Operations	Average Trade Receivables	1.93	1.84	4.98	
7	Trade Payables turnover Ratio	Total Purchase	Average Trade Payables	2.20	2.08	5.62	
8	Net Capital Turnover Ratio	Revenue from Operations	Working Capital	7.94	6.74	17.79	



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9	Net Profit Margin (%)	Net Profit/(Loss) for the year	Revenue from Operations	(15.06)	28.52	(152.81)	<p>The Company has incurred net loss of Rs. 831050.05 Lakhs for the F.Y. 2021-22 as against net profit of Rs. 1734893.55 Lakhs in the previous financial year. The major reasons for net profit in previous financial year was due to reversal of impairment of investments in subsidiary Discoms due to increase in their net worth. The Discoms was increased due to accountal receivable and received subsidy from GoUP. Hence, there was a substantial impact on the profit/loss as per standalone statement of P&amp;L of the company for the FY-2020-21</p>
10	Return on Capital Employed (%)	Net Profit/(Loss) for the year	Capital Employed=Net worth(excluding Capital Reserve)+Long term Borrowing + Current Borrowings	(8.10)	16.91	(147.89)	<p>The Company has incurred net loss of Rs. 831050.05 Lakhs for the F.Y. 2021-22 as against net profit of Rs. 1734893.55 Lakhs in the previous financial year. The major reasons for net profit in previous financial year was</p>



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11(a)	Return on Investment (on Bond Interest) (%)	Interest on Bonds	Average Bond Value	7.75	6.49	19.38	due to reversal of impairment of investments in subsidiary Discoms due to increase in their net worth. The Discoms was increased due to accountal receivable and received subsidy from GoUP. Hence, there was a substantial impact on the profit/loss as per standalone statement of P&L of the company for the FY-2020-21
11(b)	Return on Investment (for investment with Subsidiaries & other companies) (%)	Return/Impairment on Investments	Average Investment value excluding bond value	(30.12)	110.06	(127.37)	
12	Long term debt to Working Capital Ratio	Long term borrowing including current maturity of long term borrowing	Working Capital	10.31	7.88	30.85	The Current Assets have reduced by Rs.96895.60 from previous FY while the Current Liabilities have increased by Rs.111142.59 resulting in decrement of Working Capital thus the increase in ratio by 30.85%
13	Bad Debts to Accounts Receivables Ratio	Bad debts	Gross Average Trade Receivables	0.06	0.05	15.67	



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14	Current Liability Ratio	Current Liabilities	Total Liability excluding Equity	0.36	0.35	4.19	
15	Total Debts to Total Asset	Long term borrowing & current maturity of long term borrowing	Total Assets	0.54	0.53	1.92	
16	Operating Margin(%)	Operating Profit/(Loss)	Revenue from Operations	(0.28)	(0.20)	38.63	The Company has incurred net loss of Rs. 831050.05 Lakhs for the F.Y. 2021-22 as against net profit of Rs. 1734893.55 Lakhs in the previous financial year. The major reasons for net profit in previous financial year was due to reversal of impairment of investments in subsidiary Discoms due to increase in their net worth. The net worth of the Discoms was increased due to account of receivable and received subsidy from GoUP. Hence, there was a substantial impact on the profit/loss as per standalone statement of P&L of the company for the FY-2020-21
17	Net Worth (Share Capital + Other Equity excluding Capital Reserve)			3087492.62	3141329.15	(1.69)	





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\* The business of the Corporation is to purchase electricity from generation source and sell the same to distribution companies. Hence, the company does not have any trade inventory. The company maintains inventory only for internal use i.e. for construction and maintenance of fixed assets. Hence, disclosure in respect of inventory turnover ratio is not required.

  
(Jitesh Grover)  
Company Secretary  
(Additional charge)

  
(A. K. Awasthi)  
Chief Financial Officer

  
(Nidhi Kumar Narang)  
Director (Finance)  
DIN - 03473420

  
(Pankaj Kumar)  
Managing Director  
DIN - 08095154

Place : Lucknow

Date: 12-09-2022

Subject to our report of even date  
For D Pathak & Co.  
Chartered Accountants  
FRN No. 001439C



(A.K. Dwivedi)  
Partner  
M.No. 071584

